LONDON-RAINHAM-SALE-STOCKTON-ON-TEES SWANSEA-WIGAN-YATE and OVERSEAS

CONTINENTAL SELUNG PRICES: AUSTRIA Sch. 15; BELGIUM Fr 30; DENMARK Kr 6.00; FRANCE Fr 5.00; GERMANY, DM 2.0; ITALY, L 1,000; NETHERLANDS FI 2.25; NORWAY Kr 6.00; PORTUGAL Esc. 50; SPAIN Pts 85; SWEDEN Kr 6.00; SWITZERLAND Fr 2.0; EIRE 42p; MALTA 30c

NEWS SUMMARY

BUSINESS

Indonesia

to receive

£125m

Indonesia worth \$225m (£125m)

to help expand oil production.

marked down sharply at the

weekend and short-term interest

rates tightened following release on Friday of U.S. money

aupply figures, showing a fall of only \$800m in M1. Page 18

NIGERIAN oil output has

been cut by 15-20 per cent due

to a main pipeline leak. Page 2

BRITISH GAS has begun

negotiations for new North Sea

supplies at more than twice the

present average price. Back

BRAZILIAN State of Sao

Paulo is seeking to tap Arab capital for the \$160m (£85m)

it needs to finance railway pro-

BRITAIN would face econo-

mic disaster if it left the Euro-pean Community, which buys 60 per cent of UK exports, CBI

• HERON CORPORATION has

been lobbying support over the weekend from Jack Gill, former

chief of Associated Communica-

tions Corporation, for its £46.6m

bid for the company. It will

appeal this week against last

Mr Holmes à Conrt. Page 16

another 400 workers a Coventry and Castle Bromwich

It plans to sell 9,000 cars in the

U.S. this year, doubling 1981

rates for private cars by 9.3

Wednesday when she chairs a meeting of the National Economic Development Council.

IRELAND'S punt lost

last week, but did not come

the defeat of the Fine Gael Government. The Belgian franc

remained the weakest EMS cur-

day, although staying well within its divergence limit. The

D-Mark advanced slightly, trad-ing around the middle of the

system, while the French franc

and the Dutch guilder finished almost together at the top end.

EMS January 29,1982

The chart shows the two constraints

2·25%

per cent. Page 21

detailing what it would do to PRUDENTIAL Assurance

stamulate the economy and cut Company is raising its premium

eek's court decision favouring

Terence Beckett

U.S. BOND prices were

GENERAL

PLO raid endangers Lebanon ceasefire

The ceasefire between Israel and the Palestine Liberation Organisation in the Lebanon is danger of breaking down after a PLO raid from Jordan into the Israeli-occupied West

Israel captured three of the six PLO guerrillas. Page 2 Israel's Cabinet yesterday accepted participation by Britain, France, Italy and the Netherlands in the Sinai peace

PC in hospital

Constable Isn Bennett was in hospital with a fractured skull and facial injuries after being burn in gong fighting in Bristol on Saturday in which petrol bombs were thrown.

Snow deaths

A snow avalanche near Salzburg killed at least eight. West German schoolchildren taking skiing lessons. In Quetta, northwest Pakistan, seven died in the vorst snowstorm in 20 years.

U.S. 'despised'

The U.S. is ignored, despised and reviled and without reliable allies in the United Nations, chief Jeane Kirkpatrick said after a warns. year as U.S. ambassador there. Back Page

Harmony hopes

Pakistan accepted an Indian proposal to set up a foint commission on relations between the two countries.

Postal rates rise Mail prices rise todar Sending a directless letter will cost 154p. and a second-class letter 124p.

Shadow Budget The Labour Party is considering sales. publishing a shadow Budget,

unemployment.

Airport protest German police used water can-non and basens to break up a crowd of several hundred pro-exchange controls policy on

crowd of several hundred protesting at the building of a new runway at Frankfurt Airport.

Cheap flights plan Page 4 A plan to allow charter airlines

to sell some cheap seats direct to the public rather than with package holidays will be the subject of public hearings next under any heavy pressure after month. Page 3

Fast 'over'

Soviet doctors said Lydia rency, falling sharply on Fri-Vashchenko, in a Moscow hospital after a hunger strike in the American embassy while seeking permission to emigrate, had ended her fast.

Penitent platoon

Iran is to form a battalion to fight Israel, made up of Iraqi prisoner-of-war volunteers who want to "make up for their past mistakes and fight blaspbemy."

Paper money

Daily Mall City editor Patrick Sergeant was paid £255,646 in the year to dast September up £112,104 on the year before.

Let's tryst again

Okehampton, Devon, council ia to rebuild a park abelier demolished by a falling tree so courting couples can use it

Briefly - . .

5

England were 249/4 at the end of the second day of the sixth Test against India, Rain atopped

The chart shows the two constraints on European Monetary System exchange Two Indian murderers were rates. The upper grid based on the hanged, the first New Delbi executions in over four years.

Gelden Globe (Hollywood Press) awards went to Henry Fonda Dudley Moore, John (EGU) itself a basker of the contraction of the contraction of the constraints on European Monetary System exchange on the weekest currency in the system defines the cross rates from which no currency (except the liva) may move more than Currency Unit (EGU) itself a basker of the cross rates from which no currency except the liva) may move more than Currency Unit (EGU) itself a basker on the cross rates from which no currency except the liva) may move more than Currency Unit (EGU) itself a basker on the cross rates from which no currency except the liva) may move more than Currency Unit (EGU) itself a basker on the cross rates from which no currency except the liva) may move more than Currency unit (EGU) itself a basker of the cross rates from which no currency except the liva) may move more than Currency unit (EGU) itself a basker of the cross rates from which no currency except the liva) may move more than currency so divergence from the cross rates from which no currency except the liva) may move more than currency so divergence from the cross rates from which no currency except the liva) may move more than currency so divergence from the cross rates from which no currency except the liva) may move more than currency of the cross rates from which no currency except the liva) may move more than currency except the liva) may move more than currency except the liva) may move more than currency except the liva and currency except the liva and Fonda, Dudley Moore, John Gielgud and Meryl Streep.

of European currencies. CONTENTS .

U.S. anti-trust policy: when Lombard: Samuel Brittan big is not bad 14 on market view of next Foreign affairs: detente and election 15
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Opposition hardens against early entry of sterling to EMS

BY DAVID MARSH AND MAX WILKINSON

their opposition to the idea of bringing sterling into full membership of the European Monetary System in the next BRITAIN has signed its biggest ever trade credit for

This means the Government is highly unlikely to make a decision to join Europe's exchange rate stabilisation scheme as part of the March Budget, as was previously thought. Several Ministers on the Cabinet's crucial

as well as Mr committee, Richardson, Gordon Governor of the Bank England, would still like Britain to join the EMS.

The Foreign Office, however, is now thought to be less enthusiastic about the political advantages of membership especially at a time when Britain is again embroiled with its EEC partners in a dispute over the. Community hudget.

A further reason against any early decision to join for the time being is that sterling is still thought to he far too high against the D-mark.

The Treasury and the Bank

ing stable as a major part of the fight against inflation.

Officials argue that most of the advantages of joining the EMS can be reaped by continuing the present informal exchange rate policy which avoids the risks and inflexibility of a publish target.

The pound has remained in the range of 89 to 92 on the basis of its index ogainst a trade-weighted basket of currencies for most of the past three months.

Officials are pleased that the Bank has managed to keep sterling steady in apite of the modest reduction in UK interest rates in December and again last month.

They say there is no great incentive at the moment to switch to a more overt exchange Supporters of the EMS argue

that membership could give a respectable clothing to the shift from money supply to exchange rate targets which has already occurred.

But the Treasury has emerged

MRS MARGARET THATCHER of England are giving much from recent debates sceptical and the Treasury bave stiffened more priority to keeping steriabout the advantages of joining

for several reasons. Officials believe the pound would need to fall to around DM 4 or less (compared with the present rate of close to DM 4.36) to restore some of British industry's competitive position on the Continent.

 Some officials say there would be disadvantages in being tied too closely to West German policies, in respect of the dollar, interest rates and the domestic monetary stance. Membership of the EMS

might require much more Bank of England intervention in the currency markets. There is considerable scepticism in the Treasury about the effectiveness of intervention in markets subject to very large flows of shortterm capital.

• There is anxiety that an EMS target could be a hostage to fortune. After the Government's repeated failure to hit its monetary targets, it could be politically embarrassing if it proved necessary to withdraw from the EMS after a sbort

Rodgers criticises Aslef

BY PETER RIDDELL AND BRIAN GROOM

THE TRAIN drivers' union at ment will invest in electrificaminded" attitude by Mr Bill exploit their bargaining power." Rodgers, one of the Social Democratic Party's collective leadership and a former Labour Transport Secretary.

The fourth week of strikes by the Account of South of The motive Engineers and Firemen started yesterday with no sign of any new moves to break the 'deadlock in the pay and productivity dispute.

The outspoken comments by time in the internal debate in and to support policies which which rises to nearer £80m if the SDP leadership about its can be presented as "union outgoings, including staff costs, attitude to the unions and, in bashing," and which might lose are taken into consideration.

The Aslet executive is due to should support the Govern- voters. ment's Employment Bill.

Mr Rodgers argued that, as door for major new investment in the bope that progress towards greater efficiency would continue. But no sane Govern- impractical commitments. -000 por com ground to other currencies in the European Monetary System

the centre of the Britisb Rail tion and renewal if a handful dispute was yesterday attacked of men and a hloody-minded union break agreements and His intervention reflects a view that the SDP should take a stand wherever there are clear cut questions and a

generally tougher attitude on union issues than some of his toneragues. There are divisions on industrial relations within the SDP leadership. One group — notably Mrs Shirley Williams and a few ex-Labour MPs with close union connections — is reluctant to offend the unions

Transport Secretary from 1976 Rodgers-believes that it does other to make a move. to 1979, be had kept "open the not matter if the SDP offends the unions, provided that its policies reflect genuine popular feeling and do not involve

The divisions have surfaced over the Employment Bill, published last Thursday, which is broadly favoured by many in the Jenkins/Rodgers group. The SDP attitude is likely to be resolved in discussions this week.

BR vesterday made the first attempt to reduce its losses hy bringing only 15,000 mainten-tree with to work, instead of the 60,000 rail workers who usually work on a Sunday.

This will save BR more than £1m. The strikes on Wednes-days, Thursdays and Sundays bave so far cost the rallways £54m in lost revenue

meet today and the BR board Another group — including tomorrow. But each side Mr Roy Jenkins and Mr Bill appears to be walting for the

Tebit Bill faces challenge. Back Page SDP-Labour coalition 'possible,' Page 4

Industry becoming more confident

BY DAVID MARSH

BRITISH INDUSTRY appears to have become cautiously more confident about business prospects in the past couple of months, after a aetback at the end of last year.

The Financial Times survey of business opinion, published today, indicates an improving trend of orders and deliveries, though only by comparison with last year's very low levels.

Companies interviewed were in the electrical engineering, durable goods and stores, and consumer service sectors.

A key factor behind improved optimism has been the recent gentle decline in interest rates. Additionally, the lower value of the pound against the dollar bas led to a sharp recovery in export prospects. Industry is complaining still, nowever, that level against Continental cur-

rates 10 days ago.

with those planning to recruit the Budget

lahour, bowever, is less than at my time since the summer. across a wide area of industry.

The pick-up in demand has as a faster rate than had been any time since the summer. prompted a slight worsening in hoped late last summer. the prospects for wage inflation The average expected level of pay rises over the next 12

mooths has movd up to about per cent, compared with 7.5 per cent previously. Companies still expect to ooost prices by close to 9 per cent over the next 12 months. unchanged from the last survey. John Elliott writes: Few signs

of any general recovery in industrial activity have emerged in the past three mooths and most companies see little prospect of manufacturing output created steering group on unlifting rapidly off the bottom of the recession.

They will reinforce the con- tackled.

Reflecting the still very poor federation's determination to employment outlook, most com-panies still expect to cut work-Exchequer to provide a £t.5bn forcea. The imbalance compared to £2bn hoost for industry in

Destocking is still continuing

Business optimism seems, however, to have recovered

somewhat from its low point in the last survey, three months ago, when industry was reacting to sbarp increases in interest rates. The slow but gradual fall in rates since then has corrected that strong reaction. Companies are continuing

none the less to predict further widespread falls in the number of people they employ. This is adding urgency to the work of the confederation's recentlyemployment. In a statement issued at the

These are expected to be the weekend Sir Richard Cave, The latest survey was con- main conclusions of the Con- chairman of Thorn EMI, who ducted before the Bank of Eng- federation of British Industry's heads the group, appealed to land's action to encourage a quarterly industrial trends sur- companies to submit ideas on half-point cut in banks' base ver, to be published tomorrow. how unemployment could be

Sinn Fein to put up election candidates

BY BRENDAN KEENAN, DUBLIN CORRESPONDENT

Irish general election.

election, possibly in the Dublin constituency of Mr Michael O'Leary, the Labour Party leader, or against Mr Charles Haughey, the opposition leader. Sinn Fein will decide later this week where to put up candidates but the most likely choices will be the border constituencies and some Dublin areas. It may fight as many as six aeass and could renominate the H Block prisoner Mr Paddy Agnew, an outgoing TD (MP) for Louth.

Friends and supporters of at which it dropped the ban runs in his constituency Mrs Bernadette McAliskey are on standing in elections. One encouraging her to stand for speaker said it would take Ireland's EEC Commissioner, power, "with a ballot paper has been granted leave of in one hand and an Armalite absence to fight the election.

in the other." conraged by the succes of H That success surprised many observers but it is still felt Tipperary. that they are unlikely to win seats without the emotion en-

PROVISIONAL Sinn Fein - would welcome Sinn Fein candi- in order to give Northern the political wing of the IRA dates if they stood "without an Ireland a higher profile in the is to put up candidates in Armalite rifle in one hand." Dail (parliament). Her unselected constituencies in the This is a reference to Sinn doubted popularity could pose Fein's last annual conference, problems for Mr O'Leary if she

> Mr Michael O'Kennedy, Mr O'Kennedy, a former Fianna The Provisionals were en Fail Minister for Foreign onraged by the succes of H Affairs and Finance, will be Block candidates in last June'a entitled to return in the Comelection when they took two mission if defeated out his seats and polled well in others. intervention could mean a vital extra seat for Fianna Fail in

One of the two Protestants gendered by the hunger strike. in the outgoing Dail bas Sinn Fein candidates will not decided not to seek re-election. take their seats if elected, but He is Mr Jim White, a Fine Dr Garret FitzGerald, the Mrs McAliskey is understood Gael member for Donegal Irish Prime Minister, said he to favour trying to get elected New talks on Ulster, Back Page

Fall in U.S. rates forecast by Regan

By Anatole Kaletsky in

U.S. INTEREST rates will fall "well below" their pre-sent levels by the end of the year, according to a firm prediction by Mr Donald Regan, the U.S. Treasury Secretary.

Speaking on CBS Tele-vision, Mr Regan and that although it was impossible to guess future interest rates with any accuracy he was "absolutely confident" that the "prime rate will he well below its present 15% per cent hy December." He also predicted that year-on-year inflation would be between 7 and 8 per cent by then compared with the 8.9 per cent recorded last December.

Mr Regan's conviction echoes the promise of lower interest rates made by President Reagan in his State of the Union message last week. It contradicts the views of nany economists ontside the Administration, who think that interest rates may start to rise again as soon as the economy begins to pull out of recession.

However, the public com-mitment of President Reagan and Mr Regan to lower interest rates in the coming months is now so strong, that it may he intended as a signal to the Administration's critics and to the Federal Reserve that the President would not tolerate a repetition of the sort of jump in interest rates which occurred last spring.

Mr Reagan said again yesterday that although he agreed with the Fed's monetary targets he believed it bad not been "consistent" in trying to achieve these targets,

He repeated that this was not a personal criticism of Mr Paul Voicker, the Fed's chair-"We must remember that Paul Volcker bas only one vote on the Federal Reserve Board."

But the Fed had "very blunt tools and we have asked them to see if they can sharpen these tools."

Although the real meaning of the Administration's criticisms of the Fed remains nnclear, it seems certain from recent comments of the Presideut and Mr Regan on Interest rates that the change in Fed policies that they are seeking is one that would reduce the level of interest rates.

The Administration believes that a fall in Interest rates would be entirely consistent with the continning pursuit of the Fed's monetary targets Continued on Back Page

14 injured as police clash with youths in Gdansk

BY CHRISTOPHER BOBINSKI IN WARSAW

ently with youths in the Baltic Despite ing a demonstration which left hours as the communique said 14 people injured including that "calm returned to the city eight policemen, according to at 8 pm." the official Polish news agency

The agency, which quoted an Interior Ministry communique. said that 250 people had been arrested after the demonstration, the worst clash since martial law was declared on December 13. The communique said the organisers of the demon-stration, mainly high school students, were "inspired by the propaganda of the U.S. Admini-

The communique said that groups of "young people tried to provoke street demonstrations near the Lenio Shipyard when people were going home from work." This would mean that the incidents started at about 2 pm, the end of the first shift at the shipyard.

'Slogans were shouted and anti-Government leaflets distridetails. "Passers-by did not show a great deal of interest."

POLISH POLICE clashed vio- according to the communique. this the clashes port of Gdansk on Saturday dur- appeared to last for about six

> The curfew has been extended in Gdansk from 8pm uotil 5 am.

Ar one point the clashes be-tween the police and demon-strators shifted to the Gdansk old town about one kilometre away from the shipyard. The communique said that the security authorities intervened after the demonstrators refused to freed appeals to disperse and attempted to attack public

The fact that the authorities bave chosen to report the incidents on the eve of the introduction of price increases shows that they are reasonably confident that the news will not provoke disorders elsewbere.

Even if the situation has calmed down in Gdansk, this is the first sign of active resistance to the authorities since the last strike against martial law ended huted," the communique said, on December 28. It would but it did not provide further appear that in Gdnask, at least, the population has not yet accepted the military regime

Schmidt to remain leader despite coalition bickering

BY IONATHAN CARR IN BONN

CHANCELLOR Helmut Sebmidt government leader, but is tired of the bickering in the ranks of his ruling coalition.

In a speech this weekend in Hanover at a meeting of his Social Democratic Party, Herr Schmidt said he bad been elected to office would 1984 and that he wanted to see the term through.

Renewed speculation arose about Herr Schmidt's future after the Chancellor had what a its meeting on Wednesday. government official described as weckend. The Chancellor was forced to break off his speech after 90 minutes, but later continned his programme.

Herr Schmidt said that "a ship with 27 or 30 people all wanting to be at the helm in stay in office.
the long run cannot be steered. This remar
The Chancellor did not publicly by a se But he is known to be greatly irritated by the haggling in the coalition on a new stale programme to try to create more

The Social Democrat (SPD) of West Germany has made it and liheral Free Democrat clear he wants to remain (FDP) partners have been arguing above all about how the programme can he financedalthough the liberals even have doubts about whether any such programme can be of much help at present.

> These doubts are shared by the Bundesbank and many in German Industry, although it still seems more like's than not that the Cablnet will decide on new employment measures at

In an apparent effort to speed up an accord, Herr Schmidt told a private meeling of coalilion negotiators last week that if no agreement on new employment steps were reached soon then he could not he counted on to

This remark was repeated publicly by a senior SPD official, specify who he had in mind, apparently in a further effort to rally coalition forces round the Chancellor but bringing a spate of Press reports that Herr Schmidt's resignation could be

Scandinavian Bank Group

RECORD RESULTS

Highlights from audited Consolidated Accounts

	1980 £'000	1981 £'000
Shareholders' Funds	49,008	59,693
Subordinated Loans	, 45,224	50,763
Total Deposits	1,079,811	1,163,830
Loans and Advances	692,150	797,753
Total Assets	1,271,914	1,397,294
Profit before Taxation	10,274	11,407

Scandinavian Bank Group

Head Office: 36 Leadenhall Street, London EC3A 12H. Telephone: 01-431 0565, Telex: 853023. International Offices: Bahrain, Bermuda, Hong Kong, Los Angeles, Madrid, Nav York, São Paulo, Singapore, Takyo, Shareholders: Skandinaviska Enskilda Banken, Bergen Bank, Union Bank of Finland, Den Danske Bank af 1871, Den Danske Provinsbank, Skanska Banken, Landsbanki Islands



Warsaw bids to cushion rises in food prices

BY CHRISTOPHER BOBINSKI IN WARSAW

THE POLISH authorities have decided to re-introduce price controls on a number of conalso ordered managers to pay workers their annual production bonuses in the coming

These moves are a hid to cushion the impact of drastic and heating price increases, due to come into force today.

The rises come after a year in which the average growth io wages was wiped out by the rise in the cost of living and a significent section of the population suffered a drop in their standard of living as shown by official figures for 1981.

According to official calculations, the price of food will rise on average 241 per cent today while heating will on average oe 171 per cent dearer. The authorities say the rises will to a large extent be compensated by cost-of-living increases. But the global figures do not hide the fact that many individual families will suffer a drop in their standard of living.

Communist Party leaders.

time to time in the past week to remind people of the dire consequences falling protesters.

household durable goods take away the right of some enterprises to fix prices independently of the central authorities. This right was granted as part of management changes which came in on January 1.

AP reports from Warsaw: Poland, which is facing a near-total lack of imported oil from Opec countries for the second year, is negotiating for the purchase of Libyan crude, the

Walesa urges Solidarity

still at liberty to make what protests they can at the steep food and eoergy price intro-duced by the Polish Govern-ment today according to reports from Warsaw

But Mr Walesa apparently cautioned that protests should not give the military authoritles the occasion to crush what re-mains of the unloo's organisation. Solidarity activists should focus less on political Issues and

more on union matters.
Underground Solidarity inpreliminary talks with General call for an end to martial law Woiciech Jaruzelski's martial and said civil rights in every law Government. But no such field had to be defeoded.

to go up hy as much as 350 per cent while the rise in the cost sumer durable goods, and have of other food items will be around 250 per cent. In the past, rises less drastic than these have led to the fall of

Some kinds of meat are due

This time, the authorities are counting on martial law to pull them through. Convoys of armoured troop carriers have driven around the city from

The new price controls on

army daily Zolnierz Wolmosci has reported.

protests against increases

BY OUR FOREIGN STAFF

LECH WALESA. detained talks had started, apparently leader of the Solidarity trade because the Government re-union, bas advised colleagues fused to allow Mr Walesa to be assisted by two key advisers who are still interned. The authorities announced

over the weekend a relaxation in some martial law restrictions. These will permit monltored telephone calls between Polish citles from February 10 and meetings for family occa-sions such as weddings or hy organisations such as the Red Cross and the Church, without special permit.

In his regular Sunday mes formants told Reuter that Mr sage, Pope John Paul yesterday Walesa had offered to open backed the Polish episcopate's

Pipeline leak cuts Nigerian oil flow

By Martin Dickson, Energy Correspondent

NIGERIA'S oil production has been reduced temporarily by an estimated 15 to 20 per cent because of a leak in a pipeline supplying one of the country's main export terminals, according to reports reaching London.

The damage, which could take at least two weeks to put right, affects the pipeline supplying oil to the terminal at Forcados operated by the Shell-Nigerian National Petroleum Corporation partnership.

Shell has denied that the leak was the result of an explosion. There was no damage to persons or property and no suggestion of sabotage, the company said.

Nigeria is believed to have been producing about 1.3m barrels a day until the accident. It was not immediately known whether the country would step up production from other fields to make np the lost production. Nigeria has the capacity to produce about 2.3m b/d bnt ontput has been reduced sharply because of the current oil

The leak will mean a drop of 25 per cent in production by Shell-NNPC, which also exports oil via a pipeline to a terminal at Bonny.

Promising find for Egypt in Western desert

SHELL Winning NV, a wholly-owned subsidiary of Royal Dutch Shell, has made an initially small but promising oil find in Egypt's Western desert.

By Anthony McDermott in Cairo

Preduction so far is put at 6,000 barrels a day in the Badreddin concession, one of two which Shell has in the Western desert.

It is reported that the oll found is of higher quality than the prime Morgan blend produced in the Gnlf of Suez,

New French ban on Italian wine

BY DAVID WHITE IN PARIS

FRANCE hass imposed a temporary ban on customs tests from French winegrowers.

The measure has succeeded in securing a truce with the growers, who in recent weeks have again started to sabotage Italian wine shipments. But it threatens to re-iguite the diplomatic "wine war" between Paris and Rome, which broke

clearance for Italian wine im-ports—the second in six months. on Thursday to discuss the that the Government had pro-farmers. It has resorted to the measure in a bid to quell renewed proin the volume of Italian wine or three weeks." Officials later lorry drivers at border posts reaching France at prices below

pact with Italy last October, pledging to release within two

Paris and Rome, which of the sides promised to try to account last August when the sides promised to try to account french blocked 100m litres of a repetition of the conflict. M Jean Huillet, leader of the image in the France's current account

deficit widens to £3.8bn

Although the year's total trade shortfall remains slightly lower than the previous year's —FFr 59bn (£5.3bn) compared with FFr 62bn — figures published by the Foreign Trade Ministry at the weekend show an increase in the gap on the balance of payments current

account.
The current account deficit for 1981 rose to FFr 42.6bn from FFr 33.1bn (£2.9bn) the year before. French traditional

FRANCE ENDED last year surplus in the service account. with one of its worst-ever monthly trade performances—
a reasonally adjusted deficit of falls, dropped back to FFr 7.9bn (£714m) in December.

December's trade gap was sharply higher than the FFr 6.7bn registered in Novem-

Imports for the year rose by 15.4 per cent to FFr 637.70n, while exports grew by 17.5 per cent to FFr 576.6bn. The December figures, how-

ever, show a much less favour-able year-on-year performance. with imports almost 22 per cent higher than in December 1980, and exports a relatively modest 14.1 per cent higher.

BY OUR FOREIGN STAFF

Junzo Ohnoki, President of

the Nihon Keizai Shimbun,

Japan's leading financial newspaper, died of beart failure in Tokyo late on

Thursday last week, aged 70. Mr Ohnoki, who had worked

with the "Nikkei" and its

predecessor since graduating

from Waseda University in

1934, became President of the

He became President of the

Japan Newspaper Publishers'

and Editors' Association in

newspaper group in 1976.

OBITUARY

M André Cellard, Secretary wine-growing Hérault depart- ing rapid compensation for of State at the French Agricul- ment in South-west France, damage caused to their vehicles confirmed that clearance was

include a planned levy on mixed customs delays.

between the two countries local market levels.

After being threatened with legal action by the Enropean Commission, France signed a announced last autumn. These lorry drivers protesting against pact with Italy last October.

pledging to release within two months the wine shipments that were then held up. The two sides promised to try to avoid a repetition of the conflict.

The french authorities have a spanish side. After five hours are repetition of the conflict.

The french authorities have of talks on Saturday traffic was spanish side. After five hours allowed to resume on the main Some 3,000 louries, many of Spanish lorry drivers carrying allowed to resume on the main farm produce into France, offer-cross-border roads.

Italy blocks move to take Europe's MPs to court

BY JOHN WYLES IN BRUSSELS

European Court cases will now been adopted illegally.

have to be initiated by individual member Governments.

ltaly is believed to be ing the Conneil move. have to be initiated by individual member Governments.

Eight bave come out in favour was agreed in principle last

full monthly payment into the Brussels budget this week now that joint proceedings by the its hand.

Junzo Ohnoki of Nihon Keizai

After serving as "Nikkei's" burean chief in Singapore during World War II, he became deputy managing editor in 1946 and a director

of the company in 1954. He is credited with presiding

over a period of rapid growth

and diversification for the

announced on Friday that Mr

Ko Morita, 57, is to be Mr

The hoard of Nihon Keizei

ITALY has decided to block Council of Ministers have been a move by the European Com-munity's Council of Ministers to take the European Parkiament to court over its adoption of the to court over its adoption of the Community's 1982 budget.

The Italian action means that

The Property Court over will your property Court over will your property of their budget payments for several months on the grounds that the budget had

of court action challenging the Tuesday, largely because it Parliament's procedure over does not believe the Parliament the 1982 budget.

A meeting of senior officials its few days a number of its few days and its few days a number of its few days and its few d

Mr Morita, who is at present executive managing director, has worked in Delhl, New York and Osaka for "Nikkel." He has for the

past decade been responsible

for establishing the company's

data bank and information

has a daily circulation of 1.9m. Among its seven or

eight other weekly publica-tions is the English language

Japan Economic Journal.

gas prices, tightened np internally on the "wasteful"

use of gas for non-premium purposes. Although they will honour all existing export con-tracts, they are not planning to

renew them once they run out.

The Netherlands has placed a

moratorium on new gas export contracts, and the present plan

is that all gas exports be phased

out by the end of the century.

Algeria: The Algerians are

probably the world's leading

price hawks on gas. They are

pushing for the equivalent of

the oil price—around \$6.10 per million British Thermal Units. Algeria has been exporting liquefied natural gas to France

for some years. France is believed to be paying \$4.35 per million BTUs under two con-

tracts but pricing rows have

made negotiations for a third contract difficult. Gaz de France

and Sonatrach are now sup-posed to be putting the finish-

ing touches on a contract before the end of this month, but their

negotiations continue to be

be a aource of gas there must

be question marks about rely-

ing on her too heavily for

● Nigeria: France is hoping some 16 per cent of her total gas supplies will come from west Africa by 1990, most of it

from Nigeria. But Nigeria has

not built a gas liquefaction plant yet so west Africa is still

an uncertain source. If France

fails to obtain supplies from

Nigeria and Cameroun, then by 1990 Soviet supplies will

account for some 42 per cent of her total gas consumption.

critics of the Euro-Soviet gas

But as far as the basic

increasing imports of Soviet gas

is concerned, it would seem that France. Italy and West Germany have hitle alternative. Besides, there is the economic

benefit to the West of the numerous pipeline project con-

tracts...many. already won by

The one strong argument

anpplies.

While Algeria will continue to

The Nihon Kelzai Shimbun

Three members of the sine man guerilla squad were cap-tured on Saturday, a day afters they crossed the borded and planted mines on the frontier road. The other three Palestinians are believed in

have returned to Jordan. The mines were discovered and dismantled by the Israel General Yehoshua Saguy.
Director of Military Intelligence, reported that the guerillas had been trained at Damour near Tyre in Lebanar

PLO raid

endangers

Lebanon

ceasefire

Liberation

weekend

By David Lennon in Tel Avir

THE CEASEFIRE between Israel and the Palestine

forces in the Lebanon is in danger of breaking down fol-

Palestinian guerilla raid from
Jordan into the Istaelieccupied West Bank over the

Officials in Jerusalem said

this infiltration was the most serious violation of the cease.

fire since it was arranged land summer by the U.S. mediator.

Mr Philip Habhi.

Organisation's

and that they belonged to Fatah, the main military arm of the PLO. Western diplomats an

military experts were con cerned yesterday that Israe might view this raid as justi fication for an attack on the Palestinian forces in Lebanon.

Jerusalem has comprehending repeatedly about a build-up repeatedly about a build-up weapons Jerusalem has complained of PLO forces and weape in southern Lebanon in recent months. There have been clear indications for some time that Israel would like to launch a major military operation against them.

The Cabinet discussed the raid yesterday, but no details were made public. It is understood that Mr Menahem Begin, the Prime Minister, held consultations on the issue with his Foreign and Defence Ministers on Saturday night.

 Israel agreed yesterday to permit British, French, Dutch and Italian military units to help keep the peace in Sinal after Israel makes its final withdrawal in April and the entire peninsula reverts to Egypt.

WORLD TRADE NEWS

More bilateral aid 'should be tied to buying UK goods'

BY PAUL HANNON

MORE BILATERAL aid to less- lating trade. developed countries should be tied specifically to the purchase of British goods and services, according to a report published in the National Westminster Bank Quarterly Review today.

Written by two Scottish university lecturers, the report examines the British experience in obtaining orders directly from countries to which aid has been donated.

Britain, apparently, has not benefited as much as some of its fellow-donors in terms of orders.

For the period 1975-79, over less-developed countries was tied either fully or partially to the purchase of British goods and services, while multilateral lateral paets.
aid was almost fully untied. The report

The bulk of tied and partiallythe Crown Agents, who act on bebalf of the recipient Governments in putting out orders to tender among British suppliers. tage and to the development During 1975-79, these orders needs of the recipients.

Britain is also "handi-

While the Overseas Developthat since its introduction in are growing slowly 197g the provision of aid totalling £76m (up to February 1980) will have enabled UK companies to win export orders

'UK £bn

- Japan U.S.\$bn

France FFrbn

W. Germany, DMbn

been increasing in relative importance over bilateral aid in recent years and as a result of the Government's policy to restrict aid funds, is likely to continue to do so.

bodies," the report says.

any bilateral aid should, however, compensate for any loss back commercial of trade which may arise," the report adds.

If there is to be any signifi-

70 per cent of the bilateral cant increase in the returns financial aid Britain gave to achieved for aid donations, they will occur through bilateral agreements rather than through open-ended multi-The report notes, however,

that some countries such as tied aid is channelled through France and Japan have been far more aggressive than Britain in seeking out projects suited both to their own economic advan-

"Untied multilateral aid has

This is because it is easier to reduce the bilateral programme than to restrict British commitments to multinational Greater emphasis on tying

capped" by having traditional ment Administration estimates trading strengths in areas that

An emphasis on the commercial benefits to Britain in aid pacts could result in diverting fuods away from socially desirvalued at about £243m, some 90 able projects, and consequently per cent of companies inter- undermine the entire rationale viewed recently said aid only of an aid programme in the had a minor influence in stimu- first place, the report warns.

Oct. 781

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4.184

13.17

10.26

+291 37*3*4

+5.34

Sept. '81 49.90

14.05

+2.39 30.20 29.20

42.18 47.49

Why W. Europe needs Soviet gas

· Mr Ohnoki: Presided over

period of rapid growth

Gaz de France bouse journal makes the somewhat startling claim: Il y a de la science fiction dans le gaz.

It goes on to explain-at some length—how the gas industry, has always been a major in-spiration to those who write about "world of tomorrow."

The January 23 announcement that France had signed a 25-year gas contract with the Soviet Union has certainly in-spired some nightmarish visions of the future in the minds of U.S. leaders. American dismay at the prospect of France huying Son cubic metres of gas a year from Russia will sot have been tempered by the koowledge that West Germany is to take 10.5bn cubic metres of Soviet gas annually and Italy 8.5bn.

The Soviets are planning to deliver a total of 40hn cubic metres of gas a year to Western Lurope via their \$15bn 5,500 metre Siberian pipeline system which is due to come on stream towards the end of 1984. But the Americans fear the Russians may use the line as

a political weapon. The Europeans point out that the Soviels need the hard currency their gas exports will bring and that they have an excellent record for meeting their contractual obligations. Some have argued further that if the international situation deteriorated to the point where the Russians decided to turn off the taps,

then gas supplies would be the least of everyone's worries, Yet there must be some risk for West European countries who rely on Soviet imports for a substantial proportion of their gas. How badly do they need the extra gas? Are there no alternative supplies from friendlier sources?

The brief answer is that a number of European countries have found themselves having to choose between the devil and the deep blue sea — or, rather, between Soviet Union and its wealth of gas and petroleum supplies of the Organisation of Petroleum Exporting Countries. In 1980 oil met 51.3 per cent of Western Europe's primary energy demand and natural gas 14.7 per cent. Last year Ruhrgas, the West German utility. predicted that by the end of the century, oil's share of the West European primary energy market would have declined to 35.1 per cent while that for gas would have risen at least to 16.2 per cent.

The figures reflect the deter-

GAS SUPPLY SOURCES W. GERMANY, FRANCE, ITALY W. Germany 36.6 17.5 Netherlands Soviet Union Norway Middle East 15.7 Netherlands '37.6 Soviet Union 16.0 W. Africa Netherlands

Algeria Soviet Union Libya By 1930 Italy, like France, may well be taking 3-4 per cent of total gas supplies from Nigeria,

bave already signed gas deals

the USSR-are particu-

badly placed when it

comes to domestic reserves of both oil and gas. Last year oil accounted for some 45 per cent of West Germany's primary energy needs but less than 5 per cent of the country's total crude requirements were met from domestic

larly

Whatever the Russians may get up to, Opec's ability to cut oil supplies and send crude prices soaring is well proven. The attempts of Italy, France and Germany to cut back on oil imports appears, therefore, sensible because a high proportion of their imports come from But it could be argued that instead of replacing Opec oil with Soviet gas, the West Euro-

peans could increase their use of coal or nuclear power. They can and they are. The French nuclear energy programme is one of the most ambitious in the world and France is also proposing to Nuclear increase overall coal consumption and domestic coal production, although there is some doubt as to whether the latter Oil will be able to compete against Solid fuels

oil imports on price. and the building of new nuclear power stations involve long lead times. In the shorter term—to the end of the century—the

more gas, there is still the question of why it must come from Russia; thare are other sources, including the North Sea, Indeed, countries like

The Spanish Government will soon begin negotiations with the Soviet Union on bnying Soviet natural gas, Reuter reports from Madrid. Sr Ignacio Bayon, Spain's Industry Minister, said the Government had set up a committee to negotiate the gas purchase, though he did specify how much Spain was interested in buying.

between 2bn-3bn cubic metres of natural gas from the Soviet The Soviet Unions' pipeline

Reports have been circulating in Madrid for several days is expected to provide 40bn cubic metres of gas a year to western Europe by 1934. Spain has launched an energy programme almed at reducing its dependence on

imported oil, which currently

accounts for 60 per cent of the

country's energy needs,

that Spain was negotiating for

production. Oil provides France, Italy and West Gerroughly half of France's many which do not have enough primary energy and practically indigenous gas of their own, all of it has to be imported— are already importing it from roughly 100m of the 102m such places as Norway, the tonnes consumed last year, for Netherlands and Algeria.

example, mination of a number of major The picture is the same in way of importing substantial with the Groningen field, are West European nations to re- Italy where oil accounted for supplies from any of the obvious already exporting substantial duce their dependence on oil 67 per cant of total energy re-alternative sources. The difficultamounts of gas to other Euro-imports. France, West Ger-quirements in 1980, some 98 fies vary from country to pean countries. There was a many and Impy—the three who per cent of which was imported, country:

But there are obstacles in the

PRIMARY ENERGY BALANCE W. GERMANY, FRANCE, ITALY 52.3

1990

17.2 4.3–6.0

France* 75.0-17.2 30.17-32.3 25.8-28.4

Natural gas But nuclear power and coal Primary electricity 8.7 technically cannot always retechnically cannot always replace oil and gas. Even if the for some flexibility—but Soviet gas political will is there, the deal means France is now committed to the higher Option. Britain: The UK has North

Sea gas reserves but it has earonly realistic way of cutting marked future supplies for oil imports is to increase gas domestic use. The position on exports could be reviewed in consumption.

If there is a strong case for the future, but that is cold comWest European countries taking fort for continental countries who want to cut their oil imports now:

> • Norway: Norway has substantial offshore gas reserves and was the first place the U.S. considered when its leaders started lobbying against the proposed Soviet gas deals. Last year a consortium of French, Dutch, Belgian and West German companies outbid the British Gas Corporation for aupplies from Norway's huge Stat-

What the Americans had in mind was that Norway make size of the contracts for Soviet available to the rest of Europe the even vaster reserves thought to lie beneath block \$1/2 less gas from the Seviets and Another U.S. suggestion was so lessened the nisk of being that Norway develop a gas field and leave it untouched except hat Norway develop a gas field suddenly cut off nd leave it untouched except or an emergency.

No specific field was identified. And even if the Norway mature, tend to be regions had accepted the 31/2 for an emergency.

fied. And even if the Norwegians had accepted the 31/2 proposal, that field could not be ready until the mid-1990s. rationale for substantially As it happens the Norwegians, who take a fairly stringent view on depletion, refused to play ball on all counts. • The Netherlands: The Dutch,

pean countries. There was a Western nations to be taken time when the Dutch would into consideration.

Sue Cameron analyses the reasons behind Europe's drive to diversify energy supplies | British Gas in Algerian LNG deal By Sue Cameron one who came along with a suit-able length of pipe. But not any more. They have increased

THE BRITISH Gas Corporation has done a one-off deal will Algeria for a single spo cargo of liquefied natural ga-BGC is believed to be payin the full oil equivalent pric for the cargo.

The 12,000 tonne cargo—equiv alent of 600m cubic feet o gas — is to be unloaded thi Tuesday or Wednesday a Canvey Island in Essex. BG said it needed the extra ga to top up supplies after record-breaking levels o domestic consumption during the recent cold weather. Or one day in January the UE consumed 8.405hn cubic fee

The official Algerian new agency said British Gas was paying \$6.10 per million British Thermal Units for the cargo — equivalent to the crude oil price.

SHIPPING REPORT Boost seen for tanker demand

By Lynton MoLain

TANKER BROKERS last week looked forward to the possibility of a slight improvement in demand for crude of

tanker tonnage.

Demand for tanker capacit continued at about the same level last week as in the previous week, although is quiries for tanker charter showed some slight improve ment it was thought by som brokers that this upturn " inquiries could reflect th increasing dissipation of crude oil stocks in the Wes as a result of the sever

deals may have concerns the Demand for tanker tonnage, was argued, could increase a a result, but there were a gas. Perhaps the French and the Germans could have taken immediate signs of this bat

weather

pening.

However, the improvement we noticeable in tracing out (
the Guif, where a number (
very large crude oil carrier were chartered for passage the Far East and to Europ This improvement did litt to raise charter rates, ho ever, and the current rate if these vessels continued at very distressed lev according to E A. Gibs. FINANCIAL TIMES, published except Sundays and holidays, authoription rates \$365.00 per ann Second Class postage paid at York, R-Yee and at additional management.

الفكنا من المتعمل

49.27 55.57 --6.35 19.00 -5.31 18.70 20.70 -6.70 19.10 -7.60 19.70 U.S. U.S.\$bn 24.30 -5.30 23.50 Oct. '80 12.871 Sept. '81 14,905 Aug. '81 12.683 12.947 Netherlands Fibn 13.167 14.767 13.953 +0.918 Italy Lirebn

World Economic Indicators

TRADE STATISTICS

Dec. '81

+0.331

14.49

+1.52

35.95

+5.14

Nov. '81 50.70

Imports Bajance

Exports

Imports

Exports

Imports Balance

Nov. '81

十0.051

11.69 11.82

→0.13 36.12

+3.94

Oct. '81

4.739

plan to receive public hearing

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A PLAN by the Civil Aviation The CAA recognises that Authority to allow holiday many people own villas in charter airlines to sell up to holiday centres but find it dif-15 per cent of their seats to ficult to travel to them because non-holiday passengers at cheap of the lack of scheduled flights. rates will be discussed publicly in London next month.

The scheme has been under review for some time, following tickets. an original bid by Britannia Airways, one of the country's biggest holiday tour operators, to sell off to non-holiday travellers some of the seats on its flights to many Mediterranean and other destinations from

provincial cities. The CAA rejected the bid at that time but admitted that it had some merit and was worth further consideration. After a long period of study, the CAA has made its own proposals. These will be given a public hearing in London from March 9 to 12.

The aim is to give passengers from provincial cities a chance to fly to many Mediterranean and other holiday destinations at cheap rates, even though they are not buying the kind of package tours which would normally enable them to get

cheap air travel. The flights would include such links as Newcastle-Malaga and Derby-Palma, which are not served directly by normal scheduled services but which do

They do not want the expense of buying package tours and would prefer "flight only"

The plans are being generally welcomed by airlines, although

The CAA, for example, suggests that the scheme should apply only from provincial cities, and not the London area, which it takes to include Heath

Britannia, which is a big advantage of the scheme.

ing up to 50 per cent of to non-holiday tour customers rather than 15 per

The rates involved in such a are normally calculated.

Postal charges up today

FROM TODAY it will cost an marketing policy and diversifiaverage of 9.3 per cent more first class letter to 154p and second clas to 121p. The Post Office axid yesterday it intended to hold inland rates unchanged

Bulk mail users will not have to pay the increases for a two months, a move to prevent the volume, of mail

the volume of mail actually in- call to the U.S., Caoada and the creased. The Post Office said Caribbean countries will come this was because of its vigorous down by a third.

there are some doubts.

Gatwick, Stansted and But some airlines, such as

holiday flight operator from airports, feel this would exclude a large number of travellers who would take Britannia itself favours sell-

plan are not known, because in most cases there are no scheduled fares with which to compare. But the "flight only ' tickets would be well below the average pence-per-mile rate between the UK and the Cootihave holiday flights at varying nent on which scheduled fares

cation of services. The Post Office announced to get the most from your post. The Post Office announced
The latest Post Office inlast year that it was on course
creases—the first for 13 for profits of £56m for the months -- takes the cost of a financial year ending March 31 1982. The latest increases will bring in an additional £26m in revenue for this financial year and £158m in a full financial

There is better news for trans-atlantic telephone callers today, however, with the intro-duction of cheaper calls to North America and the Carib-After the January 1981 rise mean. The average cost of a

CAA cheap seats | Speculation renewed on future of Royal Bank of Scotland

future of the Royal Bank of Scotland has resurfaced with rumours among Scottish MPs at Westminster that the bank may move its headquarters from Edinburgh to London.

This might remove one of the ohstacles in the way of a deal with another bank. However, Mr Sidney Procter,

the deputy managing director of the Royal Bank of Scotland Group, said there were "absoloiely no plans" to shift the group's headquarters and registered office to Londoo.

On Thursday the group held its first board meeting since the Government announced its decision just over a fortnight ago, blocking the rival £500m bids for the Royal Bank from Standard Chartered and from Hongkong and Sbanghai Bank-

ing Corporation. The speculation at Westminster apparently originates from well-informed MPs close to the issue. Their story is that, following changes among top executives in the group, the opportunity might be taken to move the beadquarters to London, where there is already a

large presence.
This would weaken the argu-

SPECULATION about the Monopolies Commission report Chartered was out of the ques about the importance of the bank's Edinburgh headquarters and connections with the Scottish ecocomy and might open the way for another deal.

The Scottish aspect has, however, raised strong feeling among local MPs and Scottish Office ministers.

The Royal Bank's long-term strategy is in a state of considerable flux. The group bad wanted to merge with a partner with a strong overseas presence, in the form of Standard Chartered.

The blocking of this merger means that the Royal Bank has to rethink its international strategy. Another result of its abortive merger with Standard Chartered is the loss of influence over Lloyds and Scottisb, its finance house affiliate, to Lloyds Bank The Royal Bank still has a minority stake io the finance house.

In both areas the group needs to make alternative arrange-ment and further takeover attempts are not ruled out. There bas been considerable the Royal might make a bid for Griodlays Bank.

Mr Procter said that a deal used in the recent in any form with Standard

tion now. The group planned to accelerate the expansion plans of its two banks, Royal Bank of Scotland Ltd and Williams & Glyn's.

Although it has a head quarters in Scotland, the group has always operated as two distinct hanks with hoard meetheld alternately London and Edinburgh.

There is a very small head-quarters staff and its members are divided between the two cities. There bas never been any move to integrate the two

The Royal Bank of Scotland Ltd has its headquarters in Edinburgh hut it has a large London presence and its 11 London branches account for a fifth of the bank's domestic

The hank's treasurer and staff are in London where they place the Royal Bank's liquid funds on the money markets. They report to the general manager (fioaocial cootrol) in Edin There has been considerable that burgh. London also houses the speculation, for example, that burgh. London also houses the special might make a bid for hank's 100-strong international office which reports to the gen-eral manager (international) in

Treasury 'denying access to EEC coal conversion funds'

BY MAURICE SAMUELSON

denied access by the Treasury to millions of pounds of lowioterest EEC funds which could be used for converting factories to coal from dearer oil or gas, it was claimed at the weekend.

This follows prolonged dis-Britain about the use of some £400m of EEC loans allocated to Britain at the eod of last

Interest payments have to be given exchange risk cover by the Treasury because the money is available in a mixture of foreign currencies.

the Treasury's refusal to cover more than £15m for boiler con- done versions. This amount is regarded as insignificant and more could he justified for coal conversion.

At present, £325m is ear-

BRITISH industry is belog marked for job creation but industry, denied access by the Treasury little more than a third, it has Uoder been suggested, would be taken up under this broad beading.

The Treasury's refusal to accept this argument is said to have perplexed EEC represectatives who have said the cussions between Europe and money will be used evectually by other Community states for reducing dependence on oil if not done so by Britaio.

The coal industry has been suggesting it would be easier if the EEC funds were channelled Britain through private finance houses rather than through the Treasury and that However, industry is upset by the cost of exchange risk cover would be cheaper if this were

Boiler - making companies, meanwhile, are rather more European officials believe far hopeful about the Treasury's proposed towards changes in Britaio's own grants scheme for coal conversion by

Uoder the scheme, launched last March, the Government offers up to 25 per ceot of the cost of switching factory boilers from oil to coal. Less than £1m has so far been paid out to applicants, although a lot more

is said to be in the pipeline. Boilermakers, hacked by the National Coal Board and the Departments of Industry and Energy, want the grants to be made available for projects which replace gas as well as oil by coal and for fitting furnaces and other non-boiler

installations.

The slow start to the scheme for which £50m is available over two years, is blamed by the Industry Department on the bleak investment climate and companies' difficulty in finding the remaining 75 per cent of a capital project not covered by

De Lorean may cut more jobs in Belfast

By Our Belfast Correspondent

THE DE LOREAN sports car company in Belfast has told shop stewards it may be forced to declare more redundancies on top of the 1.100 announced last week.

Union representatives said the company did not guarantee that the reduction from 2,600 to 1,500 in the labour force would be sufficient to meet the crisis brought on by cash flow problems and the fierce recession in U.S. car

markets. Shop stewards told 2 mass meeting of workers that the 1,100 redundancies would not take effect until both the unions and management obtained legal advice about

the notice given.

Mr Jim Nicholson, the and General Transport and General Workers' Union convenor at De Lorean said the union had asked for the stautory 90 days consultation period, but the company "did not have the cash flow to allow this."

He said De Lorean was hamstrung by commitments given to the Government not to incur debts it was nnable

The Government has backed De Lorean with £67m. of grants, loans and equity, and is providing guarantees against £10m of bank loans. Mr John De Lorean says his chances of finding a part-ner for the venture and raising the \$106m in export and retail finance needed, depend on the Cahinet agreeing to forgive the company all its Government dehts in return

for increased royalties The unions expect to meet Mr James Prior, Northern Ireland Secretary, again this week to urge him to support the company

BMK report

THE FINANCIAL TIMES would like to point out that a report in early editions on Friday, concerning BMK, the Klimarnock - based carnet maoufacturer, was incorrect.

BMK has not gone out of business. Production is continning and all orders are heing met. The joint receivers bave stated that advanced negotiations are continuing with a potential purchaser and they are hopeful of selling the business.

Attempts to change Lloyd's Bill 'a wrecking operation'

Lloyd's of London yesterday condemned last minute moves at Lloyd's to force changes in the as "a wrecking operation."

Mr Peter Miller, a member of

the Lloyd's committee who bas bill through Parliament, said "We have amended the Bill as far as we can. But there comes a time wheo you have to stand aod fight. It is unlikely that there will be further com-

promise." The Bill is due for consideration in the Commons on Wednesday in a three hour debate before it has a Third Reading. So far 29 amendments have been drafted by the Bill's opponents in Ltoyd's and circulated to

At the weekend there was a surprise initiative hy two opposing factions in the Lloyd's community who joined forces to challenge the Bill. Mr Kenneth Grob, chairmao of Alexander Howden, the UK broker which has been taken over by Alex-ander and Alexander of the U.S., joined forces with Mr Malcoim Pearson. Mr Pearson.

SENIOR member of the 16- who is not a member of Lloyd's, stroog ruling committee of chairs the broking firm Pearson

Wehb Springbett. Mr Grob is opposed to a clause in the Bill requiring that Lloyd's Bill of Parliament for improv-ing the market's self regulation shareholding links with Lloyd's underwriting agents, the groups which manage Lloyd's underwriting syndicates. Parliament been responsible for steering the identified conflicts of interest and sought the separation after hearing a petition, which was in part financially supported by Mr

Malcolm Pearson. Mr Groh and Howden failed to have the rule changed when they mounted their own petition. Now, ironically, Mr Grob and Mr Pearson have joined forces to seek further changes to the Bill at Lloyd's.

Mr Pearson is opposed to an immunity clause in the Bill which grants a new Lloyd'a council protection from legal suits for damages by any of its membership. He wants it dropped. Mr Grob wants the mandatory sale of underwriting interests dropped.

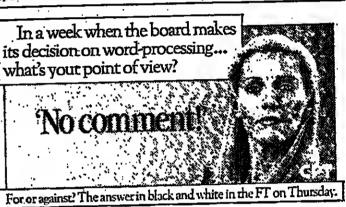
Lloyd's is standing firm, It says it is supported by the majority of the membership of 20,000 in its promotion of the

Impact of interest movements

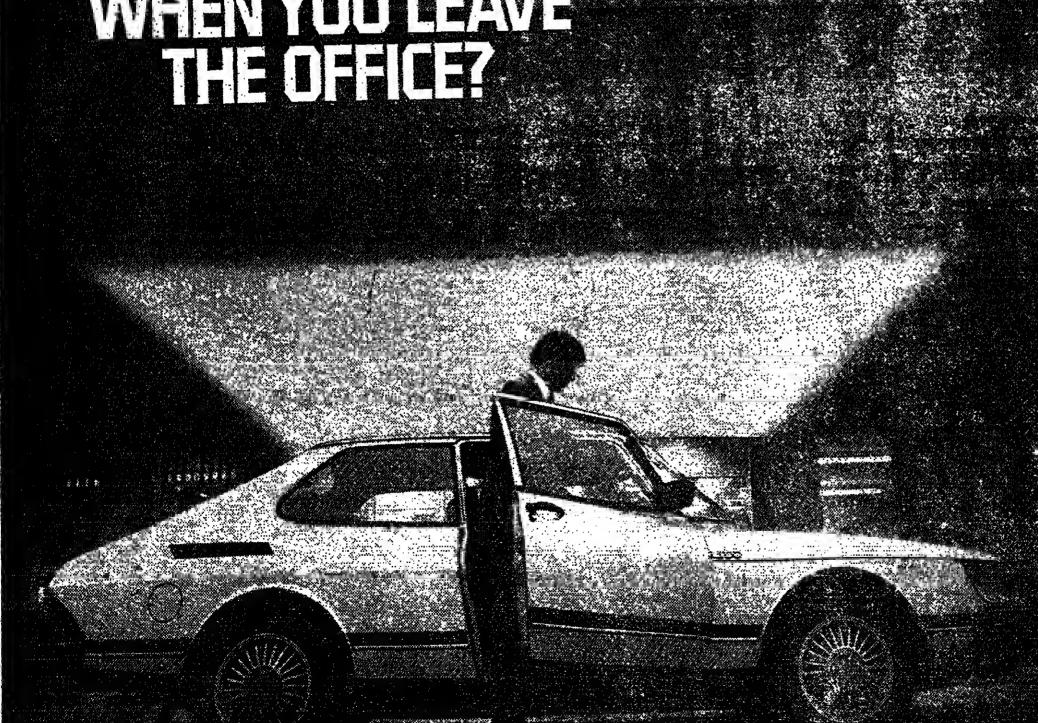
BY MARK MEREDITH IN EDINBURGH

THE IMPACT extreme swings in cal Industries. interest movements could have He spelt out the corporate on a company's profit and loss view of the London Interaccount was reason enough for national Financial Futres Marcorporations to take an interest ket (LIFFE) at a seminar on in the financial futures market, the market, organised by the according to Mr Ian Lough, Bank of Scotland and the British deputy manager of the cash- Linen Bank, in Edinburgh. The

management and treasury futures market is due to open department of Imperial Cheminext September.



DOYOU GETA EELING OF POWER
WHEN YOU LEAVE
THE OFFICE



After an exciting day at work when the adrenalin has been flowing, does a feeling of despondency creep over you with the thought of the drive home?

Does the exhilaration of the day come to a sudden halt, the moment you step into vour car?

Yet, you know there are certain cars in the world, that send the blood racing through the veins, even with a quick glimpse of them in a car park.

The Saab Turbo must be one such car. From its long low bonnet to its sporty rear spoiler, it simply exudes power. The kind of power you'd normally associate with extremely expensive two-seater sports cars.

Yet, although you've got a hundred and forty-five horse power under your bonnet, you've got the spacious comfort of a luxury five-seater saloon for under £11,500.

The special Saab turbo engine technology (it's as closely guarded as the blend of an ancient malt whisky) has developed an engine, that not only gives you a rapid surge of power, but a rare quality of smoothness usually reserved for expensive six-cylinder engines.

It is this smoothness, combined with the extremely low wind and road noise, that puts the Saab Turbo into a class of its own. infact, in a Turbo, you could be for given for imagining you're serenely cruising across the sky 30,000 feet up.

There's also a hint of our aviation background in the aircraft precision of the instrumentation layout, and visibility.

And the positive way it handles, even at 122 mph.

Yet with all its very impressive acceleration, it's surprisingly economical. You can actually enjoy 34 miles per gallon, at a constant 56 miles per hour.

Which just goes to prove that not all power corrupts.

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House prices held steady' last year by bank competition

year as a result of the banks Lomax says. moving into the housing finance market, according to Dr David Lomax National Westminster's group economic adviser, in a review of the impact of the hanking community's greater competition with the building

"There has been a structural, and some would say long overdue, shift in the pattern of retail finance in Britain," Dr Lomax says.

the clearing banks into house mortgage lending had not resulted in higher prices, and it bad generated an element of stability in the market.

London clearing banks' lending for bouse purchase for the year to last November increased oy £1.5bn, equivalent to 2 per cent of Sterling M3 in Novem-

"The driving force for the banks' movement into the housing market bas been their compelling need on long-term comgrounds to ensure the

HOUSE PRICES stabilised last with retail customers," Dr

Greater competition between banks and building societies will occur in the future, and their long-term market shares will change in favour of the stronger institutions, he adds. Some concern at these market

changes is justified, but many analyses have been "ill-informed or not completely thought through," Dr Lomax

"The bousing market is going omax says. through a permanent process of The substantial incursion of stock adjustment. After a period of stagnant prices and low turnover, the effect of more finance (from the banks) for the market is to enable the number of transactions to be increased substantially and thus enable the adjustment process to be furthered, without necessarily baving any effect on

house prices.
"It is only if an influx of money into the housing market is continued excessively for a long time that ultimately prices are stimulated significantly."

In many ways the banking system has become too competi profitability of their extremely tive for banks to be able to surexpensive retail banking net-vive without competing, for works and to ensure good long-term business relationships eties, he says.

Inner-city regeneration plan may get state support

BY ROBIN PAULEY

trial development project being assembled by a black community group in an innerurban stress and unemployment area is expected to receive government financial support.

The project was conceived by leaders of Harlesden People'a Community Council in the Lendon borough of Brent. It involves taking over the defunct London Transport bus depot and its 3.5 acre site at Stonebridge, for which £2m is needed before the end of March.

Conversion, the equipping of the worksbops and revenue support could bring total initial cost to about £5m.

Plans for the site are all based on self-belp schemes aimed at generating about 140 jobs and training places, with potential for expansion and knock-on schemes to provide more jobs in one of London's

most deprived areas. The project aims at selfsufficiency within five years and operative: a car-maintenance workshop: a music workshop; information technology centre; an arts and science workshop: a burglar-alarm factory; photography and reint workshops; and sports, leisure

and youth facilities.

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AIGLE - attractive medieval

village at the entrance to the

Rhone Valley.

A JOB-CREATION and indus- employment and youth employment are among the country's highest levels. The area came close to trouble in last summer's urban riots. The black com-munity formed the Harlesden

Council at that time. Since then it has developed the scheme to transform the bus-depot to create workshops and jobs with advice from similar projects created after the Watts riots in Los Angeles in the 1960s.

This is the type of local selfhelp on which the Government is keen to base part of its urban regeneration plans. Lord Bell-win, Environment Department Minister, enthusiastically re-ceived a delegation from the project recently. Although no firm promises have been giving the Government intends to help if details show a package can be put together with local

authorities.
The Greater London Council intends to help also and Brent Council today will consider giving 11m towards the bus-site purchase. Lord Bethell, Tory Member of the European Parliament for London North-West, will lead a delegation to seek help from the European Economic Community social

In addition to inner-city aid The Stonebridge area has from the Environment Departabout 7,000 residents, about 70 ment, aid may be provided by per cent of whom are black. Un-

Exchange controls policy defended

A Bill is also in parliament miles long and two miles wide

amhitions.

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

Government's policies on exchange controls and on foreign companies investing in the UK will be mounted on Wednesday at a meeting of the National
Economic Development Council.
Mrs Margaret Thatcher, the
Prime Minister, will take the chair at the meeting for the first time in a year. She will face a potentially hostile nelegation from the TUC which is considering whether to with-draw from the council later this year in protest at the Government's proposed labour

The meeting will also hear a

A STRONG defence of the should be introduced by the 1981. It will suggest a Govern the UK during the past few Government's policies on ex-Government to help small ment agency be established to years has led to controversy. Government to help small

The debate oo investment is taking place at the request of TUC leaders who will argue that of the Exchequer, will defend ently, for example, from Amerithe abolition of exchange controls has led to a sharp increase in UK portfolio investment abroad in stocks and shares and

They will say that such investmeot trebled in 1980, that this level was almost exceeded in the first three-quarters of last year. and that since exchange controls were abolished in 1979 the ontflow has totalled more than

The TUC will also criticise report on the progress of the financial institutions for invest-Government's information tech- ing 50 per cent more in foreign nology policies and will be in-companies than in UK busi-vited to suggest incentives that nesses during the first half of

monitor flows of canital.

the Government's stance. Mr Patrick Jenkin, Industry Secretary, will outline the Government's position inward investment projects such as the planned Nissan car

Mr Jenkin will argue that it is right for the Government to welcome inward investment projects which boost employment, help the balance of payments, and aid technological inno-

He accepts that the setting up of 25 Japanese companies employing about 6,000 people in

contains an estimated five

trillion cubic feet of gas and

was discovered in the 1970s.

in 1984, although the timing

of the initial part of the £1bn

development project is seen as

The construction of the gas

terminal is now under way at

Rampside near Barrow, Cum-

bria. The field is expected to

be used to meet peak demands

and to operate on almost a

seasonal basis. This would give

Morecambe Bay a minimum 40

British Gas said at the week-

end that if gas is discovered off Blackpool it would have to con-

sider whether the Rampside terminal could be used to take

the gas, or whether a different location for getting it onshore

The operation of Apollo II.

North Sea oil wage rates, is

already adding a little life to

a local economy which has been

drilling operations is Fieetwood.

this gives no indication as to

which town would be used as

the central location for develop-

ing any new field off the west

84 man crew includes

labour receiving high

would be used.

weak for decades.

It is due to come on stream

nonitor flows of capital. But he rejects any idea that the A paper submitted by Sir Government should treat poten-Geoffrey Howe, the Chancellor tial Japanese investors differ

> He will also say that he wants to improve the co-ordination of the promotional activities conducted abroad by a variety of British national and regional lobby groups.

> The TUC will give broad approval to the encouragement of inward investment, provided the terms are right. The CBI will probably press for stricter guidelines governing the emloyment, component purchas ing, and research and development plans of the foreign

Prutec in diagnosis

a new instrument for "imaging" disease to aid diagnosis. Prutec will be the major

From the emissions of dif-

guishing early signs of cancer in healthy tissue. Professor John Mallard, who the university team

over 500 patients. Prof. Mallard, who becomes scientific director of M & D

Its advantages over the computerised X-ray scanning technique, such as the EMI-Scanner, could include the ability to detect diseases such as cancers at an earlier stage,

to radiation. In NHR imaging, the patient is exposed only to a powerful magnetic field, which

healthy tissue. Prutec's partners in financing the new venture include the Scottish Development Agency, the Scottish Northern

Aberdeen University Re-

aid venture

A MAJOR innovation in medical technology from Aberdeen University is to be manufactured by a new company backed by Prutec, the venture capital arm of the Prudential

has been put up. Prutec is investing £950,000 of this. Its product will be a £300,000-£400,000 instrument

which uses a technique known as nuclear magnetic resonance (NMR), in which atoms are made to ring like bells, each with a characteristic

Technology, forecasts the NMR technique will prove to be the big advance in medical technology of the 1980s.

appears to cause no harm to

search and Industrial Services (AURIS) holds 15 per cent and the remaining 35 per cent are beld by Prof Mallard and Mr Robert Davies, managing director of M & D Technology.

British Gas launches exploration drive with Blackpool test drill

BY NICK GARNETT, NORTHERN CORRESPONDENT

BRITISH GAS, drilling 28 miles off Blackpool on the west coast, this weekend bored into sandstone strata which the corporation hopes will be gas bearing in produceable quantities.

The operation, which is being carried out immediately south of Morecambe Bay, will involve np to five test wells in the next six months.

It is the first British Gas Cor-poration test drilling for three years, since it carried out one in conjunction with BP in the English Channel.

The drilling represents the start of a new series of exploration drilling which the corporation will undertake around the British Isles within the next few vears.

The corporation yesterday announced its programme, which includes exploration exploration wells in the northern and southern North Sea, the south west approaches, north west Shetland, and the Channel.

The announcement and its timing is to a large extent a response of the considerable restrictions placed by the Government on its exploration work and development.

British Gas will shortly be drawing up a prospectus for the sale of its Wytch Farm oilfield in Dorset, following the Government's decision that it the Morecambe Bay field.

and lend to, or invest the pro-

ceeds in, a small business

should be allowed to roll over

capital gains tax, according to

the Small Business Bureau, a

lobby group chaired by back-

bench Tory MP Mr Michael

"At present if someone sells

stocks and shares in order to

help a friend with a new or existing company he risks being

taxed twice: when he sells the

assets and when he sells the

shares in the business," says the SBB in its Budget sub-

BY TIM DICKSON

and general manager of British Gas Exploration Subsidiaries, said yesterday that unless the

which proposes to force British Gas to halt its interests in

Mr Harold Hughes, director

developing oil fields.

corporation was optimistic part of the country's energy availa-bility would not be established. It was important that the corporation continued to be in-

ing its own basic resource. The announcement comes just before the eighth round of exploration licensing,

volved in exploring and develop-

The Western Oceanic-owned Apollo II rig, which started drilling three weeks ago in block 110/7 and will operate at a final depth of 4,000 ft, is being used only a few miles south of what is probably the third biggest gasfield on the UK commercial shelf.

The use of the rig is being shared between British Gas and BNOC equally for the next three years, and is costing British Gas about £30,000 to £35,000 a day total operating

there is a gasfield to be tapped off Blackpool, its pressure would probably be the same as The Morecambe field, ten coast.

Small business tax concessions sought

Among other recomendations

6 An end to the "de minimis"

provisions whereby the first

£2,000 of stock in a company

is not eligible for stock relief.

with only £4,000 gets relief on

The right for taxpayers

The SBB says that larger

from the bureau are:

only 50 per cent.

The SBB wants to see defer- Inland Revenue to appear

The corporation believes if

INVESTORS who sell assets ment of CGT until the invest- before the General Commisment in the new business is sioners and to ask for costs. (These would only be granted where no material omission by

the taxpayer bad occurred.) Exemption from corporation tax on the first £2,000 of a company's trading profit, a rate of 10 per cent for the next £3,000 and 1a per cent on the next £5,000.

companies with stocks of £500,000 can get relief on almost 100 per cent of their stocks. But a small company · An increase in the upper limit on the Business Start-Up Scheme from £10,000 to £25,000 and eligibility for employees on up to 5 per cent of a cominvestigated in depth by the pany's capital and genuine

Croda International. Mr Roger Lyons, national officer of the ASTMS—witch bas 1,500 members in the Burnah group and 1,250 in Crode—has threatened to take out an injunction if the companies refuse to comply with ASTMS believes it can use the Transfer of Undertakings (Protection of Employment) Regulations 1981, introduced to

By David Fishlock, Science Editor

The company, M & D Tech-nology, will design and make

shareholder (35 per cent) in the company, for which £1.4m

ferent atoms in living tissues, a detailed picture can be built up for the doctor to examine. NMR diagnosis is proving particularly good at distin-

which developed the instrument, said the Aberdeen NMR imager had been tested on

Investment Trust and Aberdeen Trust, which held 15 per cent of shares between them.

Industry largely unaffected by rail strike

tive Engineers and Firemen has caused more trouble for commuters than British industry, which has been largely un-affected by the weekly stop-

Manufacturing industry h been shielded from major dis-ruption because most of its products and raw materials are transported by road. The Road Haulage Association says about 90 per cent of Britaio's freight is handled by road

Rail freight concentrates on large, bulky and often dirty items such as coal. About 75 per cent of all power station coal, 54 per cent of all ores and 11 per cent of petrol products are carried by rail. Rail freight scores well on longer journeys. The only British Steel Cor-

poration plant to have been affected by the dispute is Teesside where production has been cut by 40 per cent to 36,000 tonnes per week. But not enbecause of the Aslef Gareth Griffiths on the effects of the weekly stoppages

action. The plant has also been be stockpited at pitheads—an hit by a local dock strike and awkward operation as stockthe weather.

Supply problems at the Ravenscraig integrated steelworks in Scotland were eased ironically by cold weather which brought production in January virtually to a stand-still. Average output of 40,000 tonnes of liquid steel a week is at present down to about 30,000

Coal stocks held by the National Coal Board bave been increased by about 2m tonnes because of the Aslef action. The NCB says coal stocks are up by another 2m tonnes because of the disruption caused by last month's weather. About 500,000 tonnes of the extra coal stocks are designated for ex-

Coal stocks are higher than normal for this time of year at about 23.3m tonnes. The NCB has room to stock about 15 weeks' supply and at present is stocking about eight weeks. Stocks in South Wales are building up rapidly and the area board has warned that some pits could be breaking local planning laws which limit stocks.

British Rail's major industrial customers in South Wales, normally one of the busiest freight traffic areas, have been promised three-fifths of normal deliveries. Coal is the worst affected industry. The NCB reckons it

is losing £5m a week as a result of the strike. British Rail normally moves about 250,000 tonnes a week in the region. Although both the power stations and the BSC steel plants supplied by the coalfields

piling space in most Welsh valleys is limited. If the strike action is prolonged it could lead to cuts in coal production because of the lack of stockniling areas. The immediate threat is to the NCB's phuroscite smokeless

fuel plant in the Cynon valley, mid-Glamorgan, which is living from hand to mouth and could be forced to shut and lay off its 1,000 employees. So far it has kept going with road deliveries of open-cast coal.

British Steel says its plants in South Wales have experi-enced no problems as a result of the strike. Stocks of raw materials have been adequate and most finished products now go by road. The main worry for Coal

Board officials is what impact the strike will have on coal exports, which have grown rapidly in the past year, mainly to power stations on or near the coast of north west Europe. NCB officials discount any present risk to these markets but fear that a long standstill could harm them.

Oxygen, supplies industrial gases to large sections of industry, is highly dependent on rail. Its distribution network centres on its plant at Widnes, Cheshire, with depots at Sheffield, Wolverhampton and Wembley, north London, BOC says it has been able to supply its customers by

rescheduling train services most publicity has been concen-with BR and customers have trated on Mr Rupert Murdoch's not been affected. Rescheduling of freight aervices seems common among the

main users of the railways.

This is facilitated by the fact

Ford or BOC want a certain number of trains a week and not necessarily on the same day. The overalt volume of Labour Research Department. movement is crucial, rather than the timing.

Most industrialists say it is difficult to assess the dispute'a cost, although British Rail says it is losing about £6m a day. The NCB has introduced Saturday working to try to get round some of the effects on coal

The contracts between BR and major freight customers mean that BR picks up any extra cost caused by delays on rescheduling.

The road haulage industry has been operating with about 25 per cent less business than two years ago and the Road Haulage Association says there is plenty of slack capacity in the industry to take up extra demand from industry. The RHA estimates that there has been a switch of 2.5 per cent of total freight business from rail to road and it argues some of that extra business will stay with road operators.

Retailers say the rail disrup-tion has had some effect, especially in London where some stores are closing earlier. The main beneficiaries of the dispute have been the capital's

At this time of the year, London hotels normally operate at about 50 per cent of capacity. Block bookings by many large companies in the capital have boosted that rate, particularly in three-star hotels and above.

The newspaper industry has been badly affected. Although trated on Mr Rupert Murdoch's News International group, officials from the Newspaper Pubhishers Association, the numbrella group for Fleet Street newspapers, describe the extraquantities of coal are having to that large companies such as road and air costs as borrific.

ASTMS claim for takeover information denied by Burmah

BY BRIAN GROOM, LABOUR STAFF

BURMAH OIL yesterday denied about the state of the business a claim by the white-collar The request is contained Association of Scientific, Tech-letters to Sir Fredide Wood chairman of Croda, and S nical and Managerial Staffs those and Managerian States and Alastair Down, chairman (ASTMS) that it could use a Alastair Down, chairman new law to demand information Businah. If the letters is new law to demand information Burmah. about Burmah's takeover told for the union is likely to take t matter to an industrial tribun but if there is delay it will se an injunction which it belies could hold up progress of t

It believes the new regulation apply when a company is who taken over by another, and th as Burmah's bid is for 100 ; cent of Croda, it would co under the provisions. AST says information must be may available long enough before transfer of ownership to all consultation to take place. Burmah argued last night t it was not subject to the new . because its proposed taken did not change the employ relations with their employ which would remain Croda In Croda was not relevant, it sa
Transport and GenWorkers' Union leaders at Sullom Voe terminal in S land have given notice that ! assets and the further develop—will strike unless British Pe ment of the business. It also leum increases its 7.5 per c. will strike unless British Pe wants Croda to tell it more pay offer by Friday.

the TUC wants the unempt

to qualify for the higher iterm rate of supplemen

benefit which other claim

cuts in unemployment ber

to be made good, and for m

saved by abolition of earn

related supplement and prospective taxation of bea

to be redistributed to

unemployed.
Young people should be
to claim supplementary be

as soon as they leave so

trayel and other facilities st

be provided at concession

The TUC's charter is a

henefit—than at influencin; 🔼

It will not be backed by

of the strong measures 1

canvassed in protest at

Norman Tebbit's Employ

Bill. It will take the form propaganda effort among r

branches, trades councils, v

tary organisations, MPs

Government

The TUC is also calling

TUC calls for increased unemployment benefits

BY BRIAN GROOM, LABOUR STAFF

THE TUC is calling for an rate benefit similar to inval increase in benefits for people pension to be paid to pe out of work and a reconstruc- unemployed for more tha tion of the system, which it year, says was never designed to cope. Among short-term meass with long-term unemployment vice-chairman, said in launching tis Benefit Charter for the Unemployed that the abolition from last month of earnings-related supplement was the

implement an EEC directive. It

contains provisions for em-

ployees in companies whose

ownership changes to be given information and to be con-sulted. These provisions come

into force today.

The union, which suspects that Burmah may wish to sell off parts of Groda's business, is

seeking information from Burman on investment, man-

power, and on its attitude to

latest in a series of government. The TUC says this was worth £13.30 a week in 1979 (the equivalent of about £17.15 today) for up to six months, for someone who had been on

average male earnings. Its abolition leaves total un-employment benefit at £22.50 a week for a single person, £36.40 for a married couple, and £38 for a married couple, and £38 rates to the memployed, for a couple with two children, there should be no fur it follows decisions to raise tightening of the rules to adult flat rates by 5 per cent, which benefits can be disalfless than the rate of inflation in or cut off, it says. 1980, and by 2 per cent last

Unemployment benefit will now buy less than at any time unionists and the mobile in the last 15 years, the TUC unemployed people are says. In the long-term, the TUC public resolve against cu wants unemployment benefit to henefit—than at influencin;

be high enough to keep people off means tested supplementary benefit, and to be paid until a person finds a job instead of being stopped after a maximum of 12 months, as at present.

It wants a new earningsrelated supplement to be payable for the first year of un-

British holiday pay lagging behind Europe By Our Labour Staff

MOST BRITISH workers are given a worse holiday pay deal by their employers than their counterparts on the Continent, according to the independent but trade union-financed

The department says in a report that most British workers on average pay would find themselves equal bottom of the league of major West European countries. Belgians receive twice their usual pay while on: holiday. A quarter of the British average manual wage is made up of

extra money for overtime and

shift working—and these are not necessarily paid in leave weeks.

Payment for holidays is, almost without exception, no more generous than for time, spent at work, the report says. Although most British workers now have four or five weeks' boliday there are still considerable restrictions on when holidays can be taken and how many days can be taken at a time, the report says.

Bargaining Report, Jan Feb.
1982; LRD, 78 Blackfriats Rd.,

Biffen rejects call for talks

Journalists' chapel belie the removal of Mr Ron I from editorship of the Sun Times colour magazine the work of Mr Murdoch

A new secret postal be was called for by fiational council of Society of Latinsia. Artisis, Designers, and Process Workers, was not satisfied that condon member had a proopportunity to vote the fine, said Stade residence services Mr. John Jacks

BY OUR LABOUR STAFF

THE PROSPECT of a Labour Liabour fails to clinch a decis a coalition with the Social Demo-victory cratic Party has been reseet by Mr Bill Sirs; general secretary, of the Iron and Seed Prades Confederation

Confederation.

Mr Sirs, who is closely affied with the right of the Labour congruing on the recent meet ing of union and party leaders at Bishops Stantford was a terraing point and that Labour has district in parliament, "just a chance" of winning the next election.

But, he writes in his union's pleased that Shirley and the SDP, who could well be part againen, commonsense of a coalition with Labour if flair," he writes.

of a coalition with Labour if

Sunday Times MR JOHN BIFFEN, TI

Secretary, has rejected request by Sunday Ti journalists to meet him discuss alleged breaches guarantees of edito independence given by Rupert Murdoch The National Union

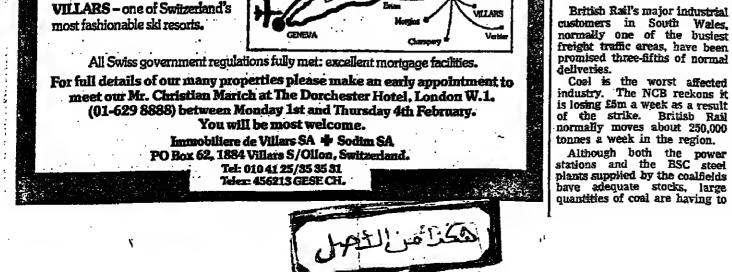
of the editor hir Frank (il.

Two print unions in agreed to merge, after union held two ballots on the

secretary Mr John Jakes Members of the victorial framework of the victorial framework approved the impression merger is likely to come appearation. operation at the end

SDP-Labour coalition possible says union leade.

Mr. Sus wants to see Labour victory, but his respictory but his respictory on the party's determined in an offer congressibleations to Mrs. Substants in her victory in Grossy by election.



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U.S. Futures Markets

The expansion in U.S. futures trading slowed down last year after a decade of explosive growth owing to the depressed state of the commodity markets. But interest in financial futures continued to increase strongly and the industry is confident of further expansion in the years ahead.

Money is the growing market

Mah

reased

By John Edwards Commodities Editor

AFTER TEN YEARS of explosive growth, turnover on the traditional U.S. commodity futures markets suffered a has the greatest growth poten-severe setback in 1981. The tial of all rapid expansion of the financial futures markets continued apace and looks likely to change the whole image of the industry. It results from general monetary instability and the desire of investors to move into basic new materials

Futures trading is no longer . confined to grains, porkbellies and other commodities. It is now more and more concerned money-whose value fluctuates just as suddenly as: any volatile commodity,

The sethack in traditional commodity futures markets can he blamed almost entirely on the depressed state of the American and world economies, particularly in the agricultural sector where poor demand and tutions becoming increasingly bumper crops have resulted in involved in futures trading.

-high interest rates-has helped promote the growth of financial futures to the extent that they are hecoming the dominant markets. Last year, the Chicago Board of Trade

Treasury Bond futures hecame the biggest single market with a turnover of nearly 14m trades. Turnover on the International Monetary Market, a division of the Chicago Mercantile Exchange, jumped spectacularly, too, and the IMM acored con-siderable success with a launch of two new financial contracts one for Certificates of Deposit and the other for Eurodollars. Many traders in the U.S. consider that the Eurodollar market, which is already widely used by overseas companies,

The expansion of financial futures is seen as hringing in a new set of players and building up a whole new image for the industry: far removed from the previous speculative fiascos in soyabeans and silver.

Perhaps the most significant sign of the shape of things to come is the move by Morgan Guaranty Bank asking the Federal Reserve Board to permit a subsidiary of the bank to act as a broker in the precious metals and financial instruments futures markets.

Mergers between commodity trading companies, stock exchange companies and banking interests have already pointed the way towards financial instibuge surpluses which have The treatment of money as a

undermined the markets, commodity is expected to However, one important broaden use of the markets to factor depressing commodities a much wider sector of the industrial and financial com-

> Mr Hansen, of Cargill Investor Services, whose company is launching a counter offensive to British firma invading the U.S., by opening a London office, forecasts that corporate use of the futures markets will extend considerably in the years ahead.

Raw materials

Money is an international commodity, used hy everyone. he points out. Just as most major commodity companies could not operate without hedging the value of their raw materials on the futures markets, so companies and financial institutions would be forced gradually to use futures for the purpose of protecting

The proposed development of markets for stock futurea market indices also means that and commodity investors will move closer together, a development that has already occurred in precions Significantly, gold metals: futures was one of the few commodity futures markets in which turnover rose last year.

added attraction to

futures trading in the U.S. is the new tax system, introduced last year. It is viewed by commodity trading firms as a hittersweet measure. The bitter part is that the previous concessions given for tax straddles, which enabled individuals and companies to "smooth" and often reduce their tax bills over a

number of years, has been withdrawn.

As warned by the industry. this appears so far to have resulted at least in a reduction of trading in the distant months on the futures market, since there is no longer any tax advantage to he gained from trading far ahead. An unfortunate result of this decline in liquidity in the distant months is that it is now more difficult for genuine trade hedging to he carried out as effectively in the past for long-term periods.

However, the "sweet" part of the new system is that tax liability on short-term gains has heen reduced to a flat rate of 32.5 per cent. This compares with a previous rate of between 50 to 70 per cent and makes futures trading very competitive with tax rates paid on other forms of "investment."

Option trading, which is to be introduced on a three-year trial basis later this year on the U.S. exchanges, is also likely to hring in new husiness, since it reduces the acknowledged high risk involved in futures.

Commodity options gained such a bad reputation at the end of the 1970s that the Com-modity Futures Trading Commission decided to han them since it could not afford the time and expense involved to regulate them properly.

Option trading in traditional U.S. agricultural commodities, banned by law before the 1939-45 world war, still requires specific legislation by Congress. But the CFTC has decided that it is worth trying to reintroduce option trading on a trial hasis in other markets in a new form. support for more self-regulation

They will he traded openly on the exchanges so that the premiums payable will he publicly known and it will in effect represent a sort of secondary futures market with the value of options varying in line with the situation io the particular commodity, and also subject to the strict rules and

regulations laid down hy the

The attraction from the speculators' point of view is that the premium paid for options will represent the total risk involved. What is not certain yet is how much futures husiness will he siphoned off into options and how they will affect the futures markets

Each exchange is to be granted one option, normally on its most active market, to see what results. Commodity hrokers feel this could he a very significant step in widening opportunities for known-risk futures trading and could result a large volume of extra husiness, hoth from speculators and the trade granting options, in the years ahead.

Philosophy

There is considerably more support for the role of the Commodity Futures Trading Commission, which regulates the markets, since the accession of the new chairman, Mr Philip Johnson. His stated policy of more enforcement but less regulation fits in well with the of commodity philosophy

They also welcome bls



"Organised chaos": dealing on a Chicago futures exchange

Financial futures: success for home п Options: a three-year trial Ш Profile of CFTC chairman

Futures Commission: swift action Review of exchanges in four cities: Chicago, New Orleans, New IV, V

Editorial production by Catherine Darby

via the proposed National Futures Association, as well as his efforts to speed up approval of new contracts.

Less popular, indeed very unpopular, are suggestions that the CFTC may he financed hy users' fees-in other words a charge on the : industry in addition to the cost of supporting the National Futures Association.

However, although there are continued complaints about over-regulation driving husiness abroad (mainly to London) it is also recognised that the CFTC does provide the regulatory credibility required to attract husiness, especially from the financial community who shied away from the commodity "gambling dens" in the past before the introduction of for financial instrufutures

A clear pattern now seems to he emerging after the massive inflow of interact in futures trading during the past decade. Financial futures were developed to meet the need to protect the value of money in

currency values and interest rates threatened to undermine the whole monetary system. Chicago, the traditional home

of commodity futures trading, has won decisively the battle to provide the new financial markets with the much markets with the much-publicised New York Futures Exchange, launched by the New York Stock Exchange, failing dismally. The failure of NYFE, mainly

because of a lack of local market makers is an ominous precedent for the planned London Financial Futures market. Liquidity is all, and for any market to succeed it must have the support of entrepreneurs prepared to make a market at all times. However, New York has triumphed in winning control

of the precious metal markets for gold, platinum and silver, well as retaining its preeminent role io international commodity markets, apart from New York bas established a

leading role so far in energy futures, with its highly-successful heating oil market, hut is

Another hattle to he fought will he over the planned stock indices futures markets. The first contract will be introduced by the small Kansas Clty Exchange, which put in the first application to the CFTC. But future indices contracts are planned by Comex in New York, NYFE possibly with the hack-ing of the Chicago Board of Trade via an electronic linkage aimed at helping the survival of the New York exchange. And also by the Chicago Mercantile Exchange, which is planning to form a new IOM (Indices and Options Market) division.

Whatever the outcome of these battles, it is clear that futures trading in the U.S. will continue to grow even if the markets develop into very different creatures that they have been in the past.

The depression in the traditional commodity markets cannot last for ever, but the main source of expansion is undoubtedly the extra interest in financial instruments that could

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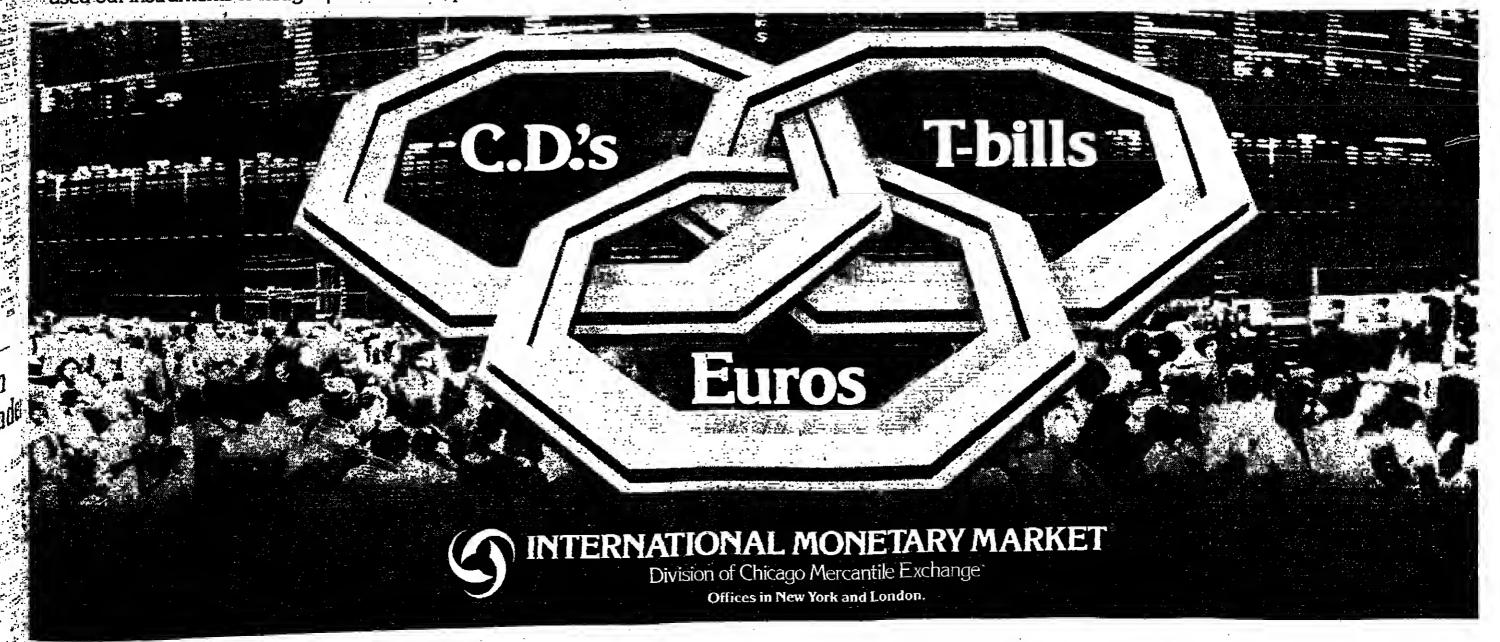
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Frenetic activity in financial futures

IT APPEARS chaotic. But rise and subsequent collapse cial futures market, planned to start this September.

It's the most purely competi- Financial futures have been London believes it will do better, tive market in the world."

That was the way Dr Clayton Yuetter, president of the Chicago Mercantile Exchange, summed up the scene on the trading floor on the launching day last December of the exchange's new contract in Eurodollar financial futures.

The Eurodollar contract is the latest innovation in the world'a most frenetic and fastest growing money market. Financial futures—trading in

forward contracts in interest rates and currencies—are hooming in their home town of Chicago, where they were pioneered a decade ago.

The market allows hanks, corporate treasurers and any

kiod of money manager to cover risks; or simply to speculate on fast-moving currency and credit markets. It has become by far the most dynamic part of the U.S. futures industry, and is catching on fast abroad. On the crowded trading floor of the two Chicago exchanges-

the Mercantile, whose Inter-national Monetary Market division runs financial futures, and the Board of Tradeactivity in the main financial contracts last year out-stripped dealings for the first time in soft commodities.
The continued expansion of interest rate and currency

trading was also in contrast to the sluggish performance in precioua metals. Both gold and silver are still suffering from widespread lack of investor interest in the after-

carried along on the crest of a wave of unprecedented volatility on the world's foreign exchange and interest rate markets during the past

With a range of new contracts, as wett as Eurodollars, planned to start trading, and with large numbers of fresh and potential users from around the world heing introduced to financial futures every day, few people connected with the Chicago hoom doubt that the market can keep up its momentum.

Pipeline

Apart from the new Eurodollar contract and trading in domestic hank certificates of deposit introduced last summer, dealing in an index of stocks is planned to start thia year. Other ideas involving options on financial futures are in the pipeline as the traditional demarcation line hetween the securities and commodity trading industries hecomes

progressively thinner. The lack of impact of the financial futures exchange in New York—which has flopped since its opening in autumn 1980—Is seen in Chicago simply as an indication of the windy city's superiority rather than aa a danger signal for the market as a whole.

The failure of the New York
Futures Exchange—where currency trading. in particular, has been pathetically low represents a tale for the ohviously cautionary tale for the hackers of the London financial futures market, planned

partly because of the time zone difference. Additionally, the City believes that the products it will be offering — wildly-exposed market parcontracts in Eurodollars, long and short term sterling interest rates and currencies will complement those avail-able in Chicago rather than

duplicate them. The Chicago-ites speak somewhat condescendingly of the New York exchange. Because of its poor start, the Commodity Futures Trading Commission allowed NYFE to get nff the ground first with domestic trading last year. Here it has dona better than expected, but is still lagging

behind the others. To put new life into NYFE and to give the Chicago Board of Trade greater access to the growing market in options — the two exchanges plan an electronic link, permitting traders nn one extracts on the other.

Many Chicagn traders now dealing in Treasury bonds or Deutsche Marks learned their skills in the grain pits and moved to financial futures only when activity started to climb dramatically in the late 1970s. They are plainly sceptical whether London which lacks this home-grown dealing and speculative element — will make much of a dent in Chicago's world-wide

ith the free-marketeers in President Reagan's Washington now keen on seeing the continued expansion of tha

predominance.

futures markets, there are only two developments which could possibly slow down the

advance of financial futures.

wildly-exposed market par-ticipants—unlikely in view of the daily clearing mechanism and elaborate financial safeguards.

The second would be a return Bretton Woods-style stability to the world's finan-cial markets, which would immediately wipe out the rationale for the existence of financial futures. And, as Dr Yuetter observes with more than a hint of Schadenfreude, the probability of that hap-pening seems to be diminish-

The essence of financial futures is to strip money down to the status of a commodity which, like soya beans or pork bellies, can be traded on future dates as well as in the

The two essential elements in the financial futures equation are: tha price agreed in advance on the futures contract and the price of the contract when it reaches maturity.

The latter depends on the actual movements of the apot price of currencies or interest rates on the financial marketa concerned. The larger these movements are, the greatar will be the demand to "lock in" a fixed price for future months by using the futures markets.

The difference hetween the two elements is the profit or loss accruing to the trade, who may be anyone from a manufacturing corporation wishing to cover its foreign exchange risks, to the proverhial Mid-West dentist carrying out a straightforward gamble, in

currencies. One example where the futures market would be used to lowar risks would he when a pension fund expects that interest rates will fall but does not have the money to invest right away. Instead, it huys a futures contract in Treasury

Lack of cash

If interest rates indeed do fall, the contract price rises and can be sold for a profit. This makes up for the loss that the fund would suffer for lack of cash to make the outright

Similarly, a U.S. company needing D-Marks in three months' time to settla an import bill may elect to huy a futures contract in D-Marks if it believes the German currency is due to rise. If the company is due to receive a payment in foreign exchange three months benceand is worried that the currency will fall, it will sell forward an equivalent amount to protect against the loss that would otherwise ensue.

Because the currency futures market partly overlaps with tha forward exchange contracts offered by banks—although these are in several respects less flexible—the big growth area in U.S. financial futures has been in interest

GROWTH has also been fostered by the record fluctuations in U.S. interest rates of the last two years and the ever increasing volumes of government deht issued by the U.S. Treasury. Many banks and financial institutions buying.

Treasury issues these days antomatically hedge their position at times of rising interest rates by selling forward on the futures market. rading in three-month Treasury bills, the main interest rate instrument on the Interna-tional Monetary Market, last year bounded up to 5.6m contracts from 3.3m in 1980 and

only 110,000 in 1976. olume also increased sharply in the main currency coa-tracts — sterling, Deutsche Marks, Swiss francs and yen -but fell slightly in gold.

On the Board of Trade, which specialises in longer term interest rate contracts, volume of Treasury bond trading more than doubled to 183m contracts from 6.5m in 1980. Significantly, there were mor contracts traded in the two top-flight financial futures instruments than in the main traditional commodities on either exchange — corn on the Board of Trade and cattle on the Mercantile. If the financial futures traders can keep up this kind of growth in 1982, they will not be able to believe their luck.

David Marsh

Options on a three-year trial

change

sight of a water hole, the futures industry is eagerly awalting industry is eagerly awalting can hegin by, at the least, midlitroduction of the three-year trial options trading programmes approved last autumn for the Commodities Futures.

hy the Commodities Futures Trading Commission (CFTC). After three years of wrang-ling, the Commission produced a test programme last September; it received a congressional go-abead soon afterwards. Under the programme, each exchange is allowed to offer one option contract for which it must bave an underlying futures contract.

LIKE A desert traveller in to move swiftly through the

Commodity Exchange Inc. (Comex). New York, 100 troy ounce gold futures contracts. Kansas City Board of Trade,
 90-day U.S. Treasury Bill futures contracts.

 Midamerica Commodity Ex-change, Chicago, 33.2 troy ounce gold futures contracts. New York Coffee. Sugar and Cocoa Exchange (CSCE), sugar Eight have submitted proposals No 11 futures contracts. to the CFTC, which is expected • New York Futures Exchange

(NYFE), 90-day U.S. Treasury New York Mercantile Ex-

(NYMEX), platinum

futures contracts. Chicago Mercantile Ex-change, bank certificate of deposit futures.

Chicago Board of Trade.
 long-term U.S. Treasury Bond

futures contracts. Many traders believe that what options bave done for stock market trading—Increased its breadth, depth and liquidity—they will do for the futures market as well and that, because the risk is low, the potential market for options is

farger than the generally wealthier pool of futures traders. Unlike London options, U.S. options will have a fixed Mr. Terrence F. Marteli, vice-

president and chief economist upon customers of Commodity Exchange Inc., believes the programme will bring in "a whole new class of buyers" and ultimately an increase on futures contracts as well as buyers who seek to head their options.

Uniform

Exchange officials say that the gold, platinum and sugar option contracts submitted by the New York exchanges are as much like equity nptions as possible to take advantage of the market of speculators already into equity options. The three exchanges, Comex, Nymex and CSCE, have triad to make their operations uniform to simplify the costly operation. In any case, the exchanges estimate that the introduction of the contracts will cost from \$1m to

All three contracts atart with four nption contract months.
Gold will be on an April,
August, December cycle and
one month in the next year. Platinum will use a January. April, July and October cycle. Sugar will use a March, July, October cycle and one month in the next year. Both gold and platinum are proposing the same strika price structure.

The last trading day for all three New York options con-tracts will be the second Friday of the month hefore the expiration of the underlying futurea contract. There are no price limits proposed for any of the contracts.

Traders expressed aome disappointment that NYME chose to offer a platinum option rather than heating oil, which is now the exchange's largest market. NYMEX officials, however, were reluctant to abandon the metals fiald to Comex and wanted to give more time to to development of beating oil contracts. If the test programme proves successful, the gramme proves successful, the CFTC may expand the programme, in which case NYMEX will be ready to offer an energy option. CSCE officials have already dasigned options contracts for cocoa and coffee, in expectation of an expanded programme. programme.
"This is both the best time,

and the worst time, to under take this new venture," Philip Johnson, CFTC chairman, told House agriculture subcommittee. time because every conceivable issue has been fully and exhaustively examined; because economic uncertainty today cries for every price-risk management tool that ingenuity can devise; and because the nation's contract markets have atrengthened their self-regulatory systems to

It is the worse time, he said, because budget cutting has

the point whera we can place greater reliance on them than at any previous time in their given the CFTC diminished re-sources to deal with expanding responsibilities. Although the time may be

ripe for commodity options, Mr James Stone, former CFTC chairman and now a commissioner, argues that the proposed programme needs greater

"I believe that the risks of abuse in options trading call for cautionary rules and effective enforcement beyond those which will characterise the proposed programme," he said in a letter to the Senate AG Committee.

Mr Stone recommends a regulatory scheme similar to that on securities options trading. He wants a uniform suitability rule bolding each sales rep and company legally accountable for the suitability of all recommendations urged

He also recommends, among other things, stronger protection for illicit floor activities; prohibiting a hroker from trading the same instrument for both his own and customer's account; a strict transaction reporting system with the capability of reconstructing a trade; and establishment of position limits in options markets.
Mr Johnson helieves the

fundamental features of the programme, like licensing, financial requirements, segregation and customer funds, can he easily "folded into" existing regulatory programmes.

There was no need for dozens of new regulations and scores of new personnel to monitor activity similar if not identical to what's already done in futures," he said,

Most traders, hearing what they believe to be a heavy regulatory yoke already, heartily agree. Events over the next three years should reveal if they are right.

Nancy Dunne

Eliutur Welle TELLIFIC



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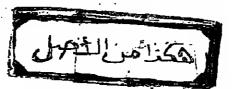
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chairman of the Commodities-Futures Trading Commission (CFTC), when he opened his Wall Street Journal one morning in December and found an editorial orging the dissolution of his agency.

The 43-year-old former commodifies attorney had left a thriving Chicago practice with a dollar moome in the six figures to take on the \$55,300 a year post as chairman of the much criticised Commission because he believed that the CFTC could find a way to provide "sensible regulations without stunding the commodity industry's development."

Unlike most who are hured to Washington for the prestige and power of high-level positions and cling to both until the bitter end, Mr Johnson had spurned the chance for a longer term and had taken the job for only three

years.
"I wanted a more rounded education," he said in a recent interview. "And I had never developed the animosity feit by the rest of the industry for the CFTC."

Mr Johnson's arrival on the Commission heralded a new era of activity as he broke a backlog of long-neglected actions The Commission seemed to be rising in industry and public esteem when Journal editorial

appeared.
The Ghost of CFTC past still haunts," the chairman concluded in a recent letter to Mr E. de la Garza, chairman of the House agriculture

Within the futures industry. Mr Johnson's performance as chairman has been widely

feel so much better about the Commission," says Miss Margaret Murray of Schnittker Associates, economic consultants. "He's been doing beautifully at deflating all potential issues in reanthorisation."

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Commission

The CFTC must be re-authorised by Congress this year. Hearings are scheduled to begin this month and are an opportunity for the Commission's critics on Capitol Hill to make changes in its

direction—or political hay. One of the major issues scheduled for legislative scrutiny was a jurisdictional dispute over financial futures between the CFTC and the Securities Exchange Commission (SEC). Mr Johnson moved quickly to defuse the controversy. Rather than fighting it out in Congress or in the courts, he held a series of private meetings with Mr John Shad, the SEC chairman and the two negotiated 2

compromise. Under the agreement, which both chairmen want Congress to approve, the CFTC was given jurisdiction over the trading of futures contracts and options on futures contracts. The SEC will regulate options directly on most financial instruments. Some futures contracts on individual securities were placed under a moratorium to await

further study.

For their efforts to settle the issue peacefully, the two chairmen received more criticism in the form of a sound drubbing in the Washington

"In an extraordinary series of secret meeting, two top Reagan Administration regulators have drafted a farallow risky new investments to be sold to the public and will directly benefit the husinesses the regulators formerly worked for," the Post reported.

Noting that Mr Johnson had formerly represented the Chicago Board of Trade, the Post suggested that the meetings had "skirted" a federal law requiring government agencies to hold public hearings. It complained that "it ings. It complained that "it was not even known that the commissioners bad formally discussed the controversial issues, let alone made a decision until last



son, chairman of the **Futures** Commodities Trading Commission

Monday when Shad and Johnson beld a joint Press

The meetings, although not the substance of the talks, had been reported for months in the Press. "It makes me mad just thinking about it," said Mr Johnson of the article. A major thrust of Mr

Johnson's chairmanship has been to clean up the hacklog of new contract requests. aome of which have waited years for commission approval. Of the 50 contracts sought, 20 were approved in his first six months of officecompared with two in the first half of 1981.

"People bere feel Johnson has shown unprecedented leadership." says Mr Harold Bradley, director of marketing at the Kansas City Board of Trade, where approval is expected this mouth of the first U.S. stock index futures contract.

The exchange, which now has only one other active contract—hard winter wheat had submitted the request four years ago. The delay, says Mr Bradley, has severely Trade, which has had nothing

financial futures have been booming on the exchanges.

Mr Johnson, a free market man, believes in approving all contracts which seem viable. Let the market decide if a contract survives," be says.

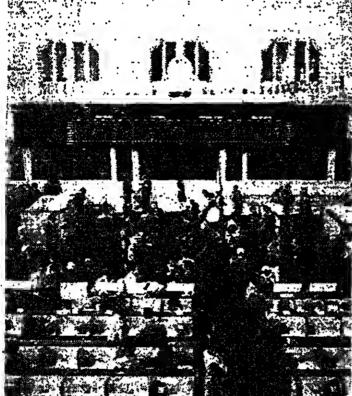
In keeping with the philosophy of the President who appointed him, Mr Johnson leans away from regulation instead has been pushing for strict enforcement of rules already enacted.

To counter consumer fraud, be has been enlisting the aid of state law enforcement agencies and bas joined with several states in bringing joint actions commodity swindlers

Mr Johnson was one of the prime movers in the formation of the National Futures Association, an industry selfregulating body which will relieve the overburdened CFTC of some of its functions. Finally approved in September, after years of disputes, the NFA will perform financial audits. handle an arbitration system for customer complaints and investigate sales practices. Mr Johnson estimates that it will reduce the CFTC work-load by about 10 per cent.

Although backing the introduction of speculative limits on all markets to stop hig positions being hullt up, Mr Johnson does not favour the idea that the Agency should take over the fixing of margins. That job, be claims, is best left to the markets who are far more flexible in responding to any changes

A year ago, it seemed quite likely that the CFTC would elther disappear or he merged when coming up for re-authorisation by Congress. Mainly as a result of the new image presented by Mr Johnson, it seems more than likely that the CFTC will be given a new lease of life.



The New Orleans futures exchange, launched in April, 1981

cFTC of a year ago. Gone are which, with the Securities Ex-the fractions meetings from change Commission (SEC), which few decisive actions monitors the securities indus-emerged; gone is the policy try. draft arising from the varying philosophies of the four com- lation has always been favoured

For the first time since 1978, the CFTC now has a full roster of five commissioners. The Carter Administration had never gotten around to appointing a fifth member, so the Reagan administration full advantage of the over-sight to remodel the agency Symptoms of abuse will show along lines consistent with the more clearly to the experts. President's convictions about The intelligence network will ree trade. work more quickly as a result Mr Philip Johnson, a know- and surveillance will be

attorney, took over the chair- monitoring." manship in June, and Demo-crat James Stone, who had been widely disliked in the industry as well as by the other reviewing of proposed futures commissioners, stepped down contracts and exchange rules. to serve as a commission member. In November Miss Susan M. Phillips, a Republican economist, joined the CFTC, to be followed in early January by Mr Kalo Hineman, a Republican cattleman and wheat farmer. The fifth member and second Democrat is Mr David Gartner, who is due to leave form rules on the sale of com-modity futures. the Commission in April and, because Mr Johnson is a politi-cal independent, could be replaced by a Republican.

Abeyance

In relative amity the Com-mission has moved on a multifude of major issues which have been in abeyance for a long time. Foremost of these have been the approval of new contracts, many of which have been delayed for years.

Five years after the sale of commodities futures options were first proposed and three years after they were man-dated by Congress, the Commission is now launching a pation that seems to damand programme. Under Chairman national association," he says.
Stone, who tended to favour Despite its accomplishments three-year pilot options trading heavy regulation, a programme had been bogged down in a dispute over a customer suitability rule, and when the plan was finally resurrected in April, the Commission proposed to allow the sale of futures options on only sugar, gold and

interest rates. When the programme was approved under Chairman Johnson, it emerged in an ex-panded form, allowing options futures on bard and soft commodities as well as financial instruments. Each exchange will he permitted to offer options on one contract, providing that it has a designated futures con-

tract underlying the option. The Commission moved swiftly last year on another the report complained, "the its tonghest tests yet to come,

Trading Commission (CFTC), of a National Futures Association industry, bears only a superficial resemblance to the Association of Security Dealers

by the industry. As explained by Mr Donald M. Mennel, chairman of the board of the Men-nel Milling Co, a long-time Chicago Board of Trade member, those intimately involved the through market participation took know potential conflict areas over where irregularities may exist. ledgeable Chicago commodities enhanced by this first-hand

and the handling of funds by fessionals and draw up uni-

The Association will include in its membership all industry participants which deal with the public, and membership will be compulsory.

Mr Leo Melamed, president

of the NFA, sees the Association as the next step in the evolution the U.S. futures markets. Self-regulation has become complex, he says, with It autonomous exchanges, each with its own rules. Brokers belonging to more than one exchange may confront conflicting require-

ments. "Our industry has reached the level of national and international visibility and particione form or another of a unified

last year, the Commission has not been without its critics, especially in Congress which produced a report condemning the CFTC's handling of the 1979-80 silver market crisis. The House government operations committee report concluded that "faced with dramatic and disorderly market conditions, the CFTC took none of the specific preventative or emergency actions allowed under the

Commodity Exchange Act."

A large degree of self-regu-

The NFA is designed to free Commission resources for supervisory functions, like the Initially, it will maintain surveillance over non-exchanged futures commission merchants commodity pool operators. Eventually, it may administer qualification examinations to off-exchange commodity pro-

In the law establishing the Commission in 1974, Congress had specifically identified one commodity, silver, as needing immediate and effective regu-

"In spite of this mandate,"

Congress had anticipated." The Commission moved quickly again to defuse the criticism, however. Even before the release of the report, it passed a heavily-worded rule requiring the imposition of speculation limits by each exchange. That rule, along with revised minimum net capital requirements for brokerage bouses and a rule requiring additional capitalisation for undermargined accounts, is designed to help prevent a re-occurence of a crisis like the silver collapse.

In one area, Philip Johnson's commission has not moved with speed. It has not yet acted, and may not act, on a long-proposed foreign traders' rule, which would require a broker who carries an amount for foreigners to obtain certain information on behalf of the Commission. If the Commission were not given the information on request, the broker would be required to liquidate the customer's account.

Information

The proposal has much smport among American traders who feel foreigners should be subject to "equal treatment" in demands for information disclosure. However, Philip Johnson and other industry leaders worry that the rule would deter British and Swiss traders who are required by their nations' laws not to give out confidential information. They believe the rule would discourage arbitrage between the U.S. and London and would cripple the price levelling mechanism which keeps U.S. and foreign market prices roughly in line with each

other Mr Johnson bas been studying an overall information gathering rule for all traders as an alternative to the foreign trader's rule, and be has been meeting with officials at the British Embassy in an attempt

to work out other procedures. The Commission has one of

Commission took no action to Congressional reauthorisation regulate silver for seven years, bearings are scheduled to begin including the imposition of in February, and they will be speculation position limits which conducted in an atmosphere of federal budget cutting and an emphasis on deregulation. Already under discussion is a controversial proposal to levy a "user's fee" on commodity trades in order to finance the Commission's hudget. There is some fear, too, that Congress will attempt to strip the agency of some of its powers and transfer some of its responsibilities to the SEC or the Federal While it is widely agreed that

the CFTC is working more efficiently than in the past, changes within the futures industry may require that the Commission change as well. The industry, according to Com-missioner Phillips, has become more internationalised. "We must worry more than

ever about events such as crop failures in Russia, bank nationalisation in Iran and factors such as exchange rates and the international supply and demand of funds," she says. The markets bave dealt with

the oil crisis, which spawned energy futures; inflation, which makes the cost of carrying inventories more expensive; and advances in technology, which may ultimately make obsolete face-to-face contact between traders.

The stunning growth of financial futures brought about the jurisdictional controversy between the CFTC and the SEC Although a solution is being negotiated by Mr Johnson and Mr John Shad, SEC chairman, the strong possibility remains that one day the two Commissions may be merged into one super agency overseeing trading and investment.

Mr Johnson, himself, does not deny that the future might half greb a marriage. But for

hold such a marriage. But for now, the Commission is pushing for reauthorisation. Thanks to a year of achievements it is going into the bearings in a stronger position than anyone thought would be possible a

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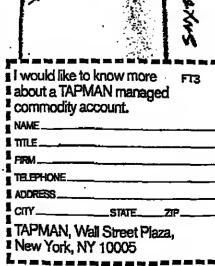
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On these two pages our correspondents review the performance of and prospects for the futures exchanges

Triumph in financial futures for mid-West

THERE is no doubt about it. The Chicago exchanges have totally crushed the efforts by New York to move into financial futures—a triumph for the mid-West. While financial futures trading on the New York Futures Exchange (NYFE) and Comex has virtually disappeared, it is flourishing greatly in Chicago.

successes chalked up last year by the International Monetary Mar-ket (IMM) division of the Chicago Mercantile Exchange, which claims to have initiated financial instruments futures with the introduction of the foreign currency markets nearly 10 years ago.

Since then, the DOM has established a dominant role in short-term interest rate futures. It has the biggest Treasury Bills (90 days) market, and has consolidated its hold still further with the introduction of contracts for Certificates of Deposits (in July last year) and Eurodollar futures (in early December).

The CD contract was claimed to have the most successful lanneh for any new market and turnover has grewn rapidly. Volume on the new Eurodollar contract has not been so great, but the EMM point out that the open interest is at a high level indicating that users of the market are establishing louger positions than the very

The Eurodollar contract is unusual in that it is the first "foreign" interest rate traded and is attracting a far higher proportion of overseas business than the domestic

The price of petroleum products is highly

short-term trades by "locals"

in other markets.

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interest rate contracts. It is acknowledged as having probably the greatest potential and is in line with the IMM ambition to expand business from oversear.

major development planned for this year is the formation of a new division of the Exchange: the Index and Options Market (IOM). The proposed division, which has yet to be approved by the membership, will create a special exchange, alongside the IMM and CME, to trade in indices futures, including the Standard and Poor's 500

stock index, and certificate of deposit options, both of which are to be introduced this year. The idea is that the new 10M division will also incoperate the existing con-tracts of the Exchange's division: Associate Mercantile Market.

At present there are 500 members of the parent Cricago Mercantile Exchange, which has flourishing markets livestock — having launched the concept of markets for live eatile and live hogs—as well as for pork bellies and other agricultural products. There are 650 members of the IMM, which trades gold, foreign currencies and interest rate futures, and 150 AMM members.

Members of these divisions will be offered the right to purchase IOM membership at a reduced rate of \$30,000 and a further 200 seats on the 10M at a cost of \$60,000 each will be offered to non-mem-

This expansion should help to fuel, and finance, the expansion of the Mercantile Exchange, which has grown space in recent years and is no longer overshadowed by its big brother down the road—the Chicago Board of

. The Board of Trade is still, however, by far the higgest Exchange Although its famed grain and soyabean contracts suffered severe setbacks last year as a result of the agriculture depression, the longterm Treasury Bonds market expanded enormously and it has the biggest Ginnie Maes-(national mortgage loans)

Prospects for Ginnle Maes Administration believed to be keen to phase them out in line with a general refuctance to fund fixed-interest However, the Board of Trade is planning to introduce a new 10-year Treasury Notes contract, soon after trading space is increased by the move to new pren attached to the exi building, planned on Febreary 16.

The Board has temporarily shelved plans for a Eurodollar contract on the basis that it would be competing with short-term interest markets, where the Mercantile Exchange has established a leading role. For the moment it is concentrating on build-ing up longer-term interest-rate contracts and also planning to move into energy futures—three separate contracts for heating oil, gasoline nd crude oil have been

Oats

drawn up. ... It is also proposing to introduce a stock indices contract, possibly based on the New York Stock Exchange index. Talks have been going on with the New Futures Exchange, which could be experted to have prior right to its parent's index, to establish an "electronic linkage" be-

tween the two exchanges. The re-election of Mr Leo Rosenthal, who initiated the talks with the New York Exchange, as chairman of the Board of Trade suggests the hid to establish a linkage, and thereby probably save NYFE from extinction, will go ahead. Another proposal that the Beard of Trade should enter into a joint venture with its previous "child" —the Chicago Options Ex-change—on options trading is not so certain. Whatever happens, however, a Treasury Bond options contract will be introduced this year as part of the three-year trial proLanguage of the trade, from the left: sell, buy, 1 cent, 1 cent, 1 cent, 1 full cent

CHICAGO BOARD OF TRADE 16,674,986 379,103 10,489,932 3,639,633 Silver (5,000 az) Silver (1,000 az) Gold (3 kg) Gold (100 az) Plywood (76,032 sq ft) Western plywood GNMA mortgages, CD GNMA mortgages, CDR Commercial paper (90-day) Commercial paper (30-day) Treasury notes (4-6 year) Treasury bonds Domestic CD (90-day)

149.085.761 45,281,571 † November volume adjusted by CBOT. Source: FIA monthly volume report.

CHICAGO MERCANTILE EXCHANGE Petatoes Live hogs (30,000) Pork bellies, frezen 2.481 Lumber Stud lumber 838,676 Plywood (152,064 sq ft) Feeder cattle Pound sterling A91,10Z Canadian dollar 475,585 654,891 922-608 575,073 19,301 960.598 Mexican peso Swiss franc Dutch guilder 518,767 U.S. silver coins French franc Gold (100 oz) Treasury bills (20 day) Treasury bills (1-year) 2,518,435 2.543.4TH 3.338.773 Treasury notes (4-year) Domestic CD (90-day) Eurodoliar (3-mouth)§ 15,171 TOTAL 22.261.295

§ Trading-inaugurated December 9 1981.

MIDAMERICA COMMODITY EXCHANGE

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and Risk Management Consultants

MINNEAPOLIS GRAIN EXCHANGE

Source: FIA monthly volume report.

360.978

Source: FIA monthly volume report

Wheat (1,000 bushels) ...

Corn Oats (5,000 bushels)

Soyabeans Silver (1.000 oz)

Gold (\$3.2 et)

Live cattle (20,000)

Live hogs (15,000)

Treasury bonds (\$50,000)

TOTAL

Source: FIA monthly volume report:

279,082 513,953

4,176 849,169

148,051

100,139

One ingredient still missing

New Orleans

NEWEST, and by far the most elegant, futures exchange in the U.S. was launched last April in New Orleans. Housed in the historic Board of Trade building, the new Exchange provides almost ideal trading conditions: modern communications mixed with pleasant, comfortable, surroundings. It has the only international futures market for rice (both milled and rough) and special contracts for short staple cotton and soyabeans, geared to the export markets and the crops produced in the fertile Mississippi delta.

Unfortunately one vital ingredient is missing at present: sufficient volume of trade to make the market a viable pro-

As a result the value of seats has fallen from a peak of \$17,000 to \$7,500 disappointing those holders who bought them as an investment. That suits the Exchange, who want active rether than passive traders and are hoping that the bargain price of seats will attract the kind of entreprenurial in-dividual to breath new life into

Apprenticeship

Mr Robert Martin, president of the Exchange, points out that New Orleans can provide the ideal apprenticeship for traders coming into futures. But he is keen to ensure there is also sufficient trading experience around to guide the fieldling exchange in the right direction. Mr Martin is an ex-chairman of the Chicago Board of Trade

and was subsequently one of the five commissioners on the Com-modity Futures Trading Commission. So he is well qualified. the estimates that by trimming back costs the Exchange can survive until the present depression in virtually all the U.S. agricultural markets lifts. New Orleans has had bad luck

in that all three of its contracts have been introduced in " bear " markets, when there is little need to hedge against price

Nevertheless, Mr Martin and members of the Exchange are confident that New Orleans will take off once better times arrive for the farming industry. New Orleans is a main export outlet for rice, cotton and soyabeans, so its prices, incorporating freight charges to the guif ports are particularly relevant for

buyers overseas. At the same time the Mississippi delta area is an important producer of these crops, particularly rice and cotton. With no other international rice futures market in national rice futures market in the world, New Orleans hopes eventually to set the world

Rouald Boyd, Merrill Lynch rice specialist on the Exchange, is optimistic that interest in the market, which has already attracted international attention, will flourish especially when trading specifications are altered to suit the industry.

There is equal optimism that the New Orleans short-staple cotton contract, again the only one of its kind, will gain the support of producers and traders in this type of cotton where prices often move at variance with the longer staple type traded in New York.

Cotton is very much the tradition in New Orleans—it provided the main source of income for the city until hit by the competition from man-made fibres. Now cotton is staging a comeback and New Orleans expects to share in this revival once the textile industry comes back to life. The newly introduced soyabeans contract is based on the higher quality export crop and is, therefore, not directly comparable with the Chicago contract.

But for exporters, and overseas buyers, the New Orleans

soyabeans contract once it attracts sufficient support could have considerable interest. New Orleans is planning to apply for a maize (corn) export grade contract, too, but that will be the extent of its ambitions for the time being.

Meanwhile, the Exchange will just have to hope that the for-tunes of the U.S. agricultural industry recovers in sufficient time to revive interest in

9,271

25,995

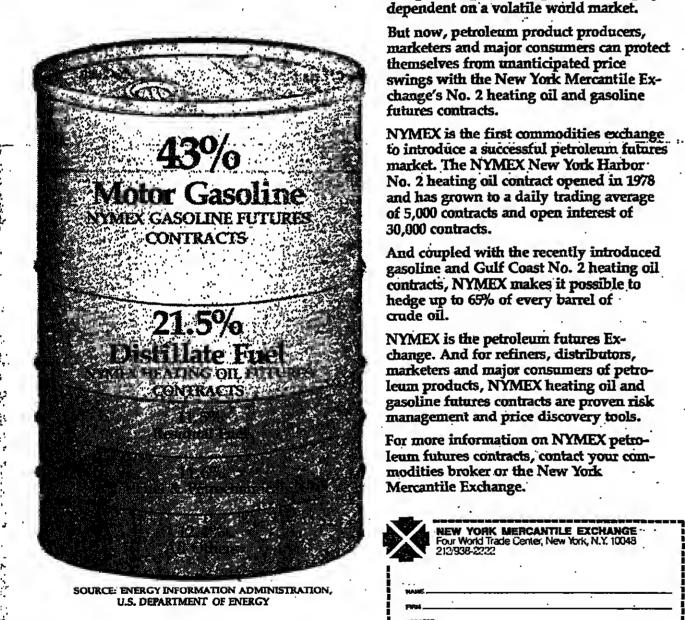
Jan-Dec 1981 10,249 11,478

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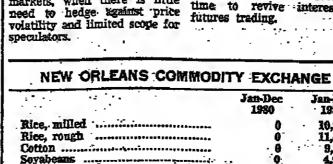
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Source: FIA monthly volume report.

هكزامن المجمل

The winners in oil and metals

New York

New York has finally thrown in the towel and conceded victory to Chicago in the financial futures business. If New York commodity exchanges, which barely a year ago were still bragging they would threaten Chicago's dominance in financial futures trading have all but Stock Exchange given up on financial futures they have easily outmanocuvred Chicago in precious metals trading and in the fast-emerging petroleum futures market. Despite a rough year for rising force in financial futures soon to challenge

precious metals prices, the New York Commodity Exchange (Comex) firmly established itself again as the major hedge market in the U.S. for silver and gold. The volume of gold contracts traded on the Exchange increased by a remarkable 25 per cent to 10.4m contracts last year, compared to just over 3m contracts in 1980 in a year when the price of gold fell by an equivalent percentage. Comex's last remaining pretender for a share in the gold futures action, the Chicago Mercantile Exchange's International Monetary Market (IMM), traded only 2.5m gold contracts last year.

In silver trading, Comex also wiped out the Chicago Board of Trade (CBOT), re-U.S. for silver and gold. The

Board of Trade (CBOT), retaining what silver market has been left after all the bad. Press and the slump in the price of the metal. In the past 50 days, an average of 7,259 silver contracts a day have been traded on the Comex. Volume last year increased to 1.2m contracts from Im contracts in 1980 white at the CBT volume was down 26 per cent. The Chicago Exchange is now trading two silver contracts. including a traditional 5000 - troy ounces contract like the Comex contract and a new

1000 troy ounce contract.

The main reasons why the Chicago Board of Trade has lost out in the silver battle with Comex are the changes in tax legislation introduced by the Reagan administration which have hit the tradi-tional, fax-related stradile activity on the CBT and the fact that the Hunt brothers of Texas, oil billionaires who once held large positions in Chicago, have now been driven out of the market.
At the same time, Comex

a major error in splitting its silver contract so that the 5000 ounce contract is trading simultaneously, with the smaller 1000 ounce contract. The split, they claim, has divided people's loyalties and drained some of the liquidity out of the market.

Copper, too, managed to hold up in the face of generally depressed conditions with copper prices plunging and major production shut down by U.S. producers. The volume of copper contracts traded on the Comex last year totalled 1.6m contracts, compared with 1.8m contracts

Financial futures were at one stage the rage in New York as they currently seem to be in London. The New York exchanges pumped up the propaganda about financial futures, claiming contracts in a variety of financial instruments from treasury deposits would become the hottest game in town. The trend, first started by Chicago in 1975, quickly swept New York with the American opening a futures market in 1978 and then, with a mighty clamour, the New York Stock Exchange opened its New York Futures Exchange (NYFE) in August 1980. New York was about to become a

Chicago.
The Amex futures exchange no longer exists. It was absorbed by Comex which started its own financial futures market in 1979.

The NYFE is in deep trouble. The value of NYFE seats for non-stock exchange members has been falling steadily from the initial offer-ing price of \$20,000 to under \$3,000. The NYFE at one stage last year was discussing a possible merger with Comex or, at least, to set 12 joint ventures which would have given the NYFE access to Comex's metal trading

The talks broke down and NYFE subsequently reached an agreement with the Chicago Board of Trade, no less, whereby the two ex-changes would be electronic-ally linked. This would allow a member of one exchange to execute through a member on the floor of either exchange trades in financial futures and other contracts which have been approved or may in the future be approved for trading on either ex-NXFE-CBOT deal

caused an uproar in Chicago with many Board of Trade members questioning the advantages of the arrangement with the New York exchange. The deal will give the CBOT access to the NYFE's proposed new con-tract based on the New York Stock Exchange's equity index as well as an important footbold in New York.
If equity index futures are increasingly becoming the vogue, funncial futures, at least in New York, have lost most of their earlier glitter. Indeed, financial futures have emerged as a hit-and-miss business and only three out futures contracts traded in U.S. exchanges have been successful. If financial futures are now no longer the subject of enthusiasm in New York, petroleum futures have so far proved winners for the New York Mercantile Exchange.
The Mercantile Exchange

introduced its first heating oil futures contract in 1978. Trading has since grown sub-stantially with the average daily volume exceeding 4,000 contracts last year and hitting peaks on certain days of more than 9,000 contracts. The Mercantile Exchange has now followed up the success of its initial contract with a new heating oil contract for delivery in the U.S. Gulf Coast

NEW YORK COMMODITY	EXCHAN	IGE
	Jan-Dec 1980	Jan-Dec 1981
Copper	1,848,080 28	1,647,380
Silver (5,000 ez)	1,058,734 8,001,416	1,240,720 10,373,706
Treasury bills (90-day)	76,081 17,653	1,052 30,188
Treasury notes (2-year)	7,403	90,100
	11,009,389	13,293,049
Source: FIA n	nonthly volu	ime report

••		Jan-Dec	Jan-Dec
	*:	1980	1 9 81
Coffee "C"		906,944	515,342
Sugar Ne. 11		2,576,662	2,470,327
Sugar No. 12		13,839	14,333
Cocoa (30,000)		187,309	•
Cocoa (10 tonnes) .		201,662	562,651
TOTAL		4.886.416	3,562,613

NEW YORK COTTON, CITRUS & PETROLEUM		
	Jan-Dec 1980	Jan-Dec 1981
Cotton Ne. 2 Orange juice, frozen concentrate Propane	2,490,405 162,864 25	1,415,213 387,182 496
TOTAL Source: FIA	2,653,294 monthly volu	1,802,891 me report.

	Jan-Dec 1980	Jan-Dec 1981
Palladium Platinum U.S. allver coins Gold (1 kg) Imported lean beef Potatoes No. 2 heating oil, NY No. 2 heating oil, Gulf Leaded regular gasoline, NY Leaded regular gasoline, Gulf	62,217 429,708 6,808 16 24,119 393,759 238,234 0	40,822 490,493 41 6 7,976 237,411 995,506 1,856 7,200
TOTAL	1,154,905	1,781,407
1 Trading inaugurated Dec Source: FIA	ember 14 1	981

NEW YORK FUTURES	EXCHANGE	
	Jan-Dec 1980	Jan-Dec 1981
Treasury bills (90-day) Treasury bonds Domestic CD (90-day) Pound sterling Canadian dollar Deutsche Mark Japanese yen Swiss franc	32,452 139,410 9 7,352 692 258 199 3,630	9,766 162,942 117,807 4 3 13
TOTAL Source FIA	. 183,993	290,585

as well as for delivery in The Mere also received

autumn to become the first U.S. exchange to list futures contracts in petrol. And the New York Cotton Exchange, better known for orange juice futures which have been somewhat volatile as a result of the freak freezes in Florida, began trading last December a liquified propanc gas futures contract. The unsettled state of the oil mar-ket has boosted the popularity of these petroleum futures as hedges to price fluctuations. especially after the decontrol of domestic oil prices in the VI.S. and now with President Reagan's proposals to decon-trol domestic gas.

The exchanges are also about the prospects of option trading. A pilot programme approved by the Government now allows comoption contract in one of their underlying contracts. Comex, for example, has submitted an application to trade a gold option contract, which it hopes will broaden the potential audience of the market. Officials admit scheduled to be listed in the spring or summer is unlikely to get off to a roaring start if the price of gold continues to fall. The gold options con-tract coupled with a proposed gold coins futures contract are good examples of how the New York exchanges are going back to basies after a somewhat unhappy filrtation with financial futures.

Paul Betts

Leader in stock index futures

Kansas

neapolis Grain Exchange are small fry compared with the giant Chicago futures ex-changes. Yet Kansas is reputed to have dreamt up the concept of a stock index futures contract, which has now been enthusiastically taken up by the bigger exchanges, who see it opening a whole new sector of

and industry analysts.

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As a result of being ahead of its time, Kansas City will have the advantage of introducing the first stock index futures contract since it was the leader in seeking approval for such a contract from the Commodity Futures nearly four years ego.

The proposed Kansas contract is to be based on a value line composite average, which it is claimed provides an accurate barometer to total stock market

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movements and can, therefore, be used to protect the value of share portfolios.

The Eurodollar contract launched by the Chicago Mer-cantile Exchange has already introduced the principle of cash settlement this is, the value of the contract as it expires-opening the door for futures markets in other areas, such as stock indices, where no delivery

Kansas is understandably upset by the long time taken by the CFTC in approving its stock index contract, which meant it missed out on the first part of the financial fittures boom. The advantage of launching

the first futures contract, bowever, should give Kansas the lead in this totally new sector. If it proves a success the extra business gained could boost the prospects for Kansas consider-

Meanwhile the existing Kansas futures contract for hard red winter wheat continues to attract sizeable trading interest with turnover topping 1m contracts again last year, in spite of the depression in the grain

Wheat futures on the Minneapolis Grain Exchange also held

up well last year, albeit at a lower level. But the sunflower seed contract introduced there has lost support and could well be replaced by a new market planned by the Chicago Board

of Trade.

Little known, but handling a large volume of trades (over 2.5m in 1981 against nearly 3m in 1980) is the Mid-America Commodity Exchange, housed right next door to the Chicago Board of Trade.

Mid-America, which acts as a sort of training centre for the Board of Trado and Mercantile, deals mainly in mini-contracts duplicating bigger brethren on the other Chicago exchanges. Its wheat contract, for example, is for lots of 1,000 bushels compared with 5,000 bushels on the Board of Trade. This year, however, it will

introduce an exclusive contract of its own for refined sugar Based on the domestic refined U.S. market the contract may not have a lot of appeal to international traders, but it does mark a departure by the Mid-America Exchange into new territories and may result in a wider market in the years

Source: FIA monthly volume report.

NA.	HOMO CHIL	DUAND	OF.	INADE	·
				n-Dec 1980	Jan-D 198
heat)[40=4000000f0140}}		1,29	7,757	1,181,8
TOTAL			‡1,29	8,047	1,181,8
	i Includes 290	mudstos (contr	acts.	

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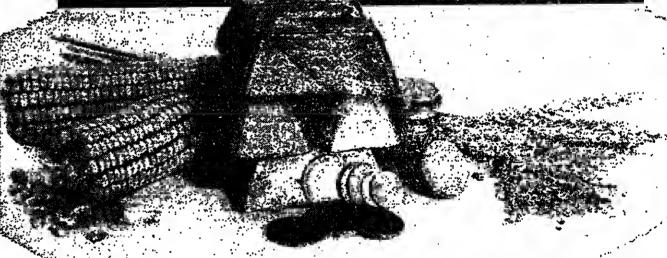
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Sony in the groove with compact disc

disc player at Hasselt in

Belgium which has been in-

the spinning turntable and the

tone arm resonance is trans-mitted to the system's amplifier

According to Gerry Harrison:

"We've done a lot of fiddling

around with the conventional record systems to reduce these

unwanted sounds, but we've nearly reached the limits of the

In the professional music studio many songs are already recorded digitally hecause it

produces a better quality master

for mass production so companies says that it makes sense

to hring digital techniques into

adding extra noise.

Extra noise

record decks.

ELAINE WILLIAMS reports on the compact signal bits. This does not inaudio disc developed by Philips in the Netherlands and Sony in Japan.

clude all the extra ons detect errors and provide information about the disc. They are laid out in a helical track and organised a helical track and organised

lovers will he introduced before which is to be introduced later

Philips in the Netherlands, which has a sound quality presently beyond all hut the most

expensive hi-fi system.
This tiny 4; in diameter disc can play an bour of music on only one side and cannot wear out because it is scanned by a

Sony is likely to be the first to introduce the compact disc system in November followed by Philips in spring 1983.

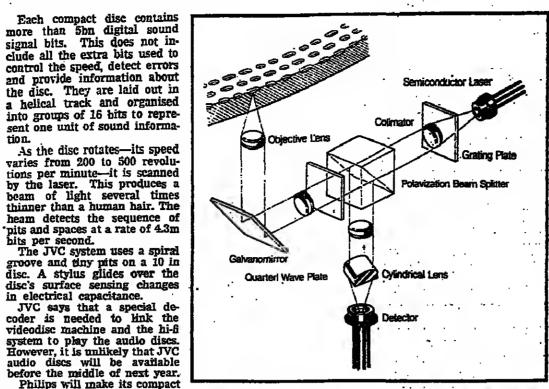
So far 30 audio manufacturers including Grundig, Bang and Olufsen, Hitachi, Sanyo, Toshiba, Akai and Sharp have agreed to conform to a common standard for the disc thus avoiding the problems of standardisa-tion encountered in the video world for discs and tapes.

A NEW type of audio disc to with its own system based on titillate the palate of jaded music its VHD videodisc systems the end of the year.

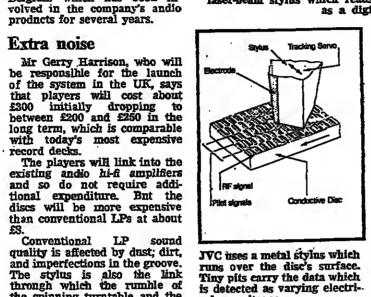
It is the compact disc developed by Sony in Japan and this also joined the compact disc developed by Sony in Japan and the compact disc this year. However, Matsushita, which owns 51 per cent of JVC. has also joined the compact disc movement, which effectively keeps its options open.

> The music and hi-fi equipment industries welcome this new technology because both mar-kets are in the doldrums. For several years record sales have declined in the face of home record taping and illegal pirate records—the latter flaunt copy-

Sound is encoded on the disc, in the form of microscopic pits and flat areas along a 2½ mile track on the 4½ in diameter disc. It is protected against dust and dirt hy a transparent plastic layer. Even surface scratches do not affect the sound ion encountered in the video quality because the laser orld for discs and tapes. stylus is focussed on the pits helow the plastic.



The optical approach adopted by most companies uses a laser-beam stylus which reads the pits and spaces between



JVC uses a metal stylus which runs over the disc's surface. Tiny pits carry the data which is detected as varying electrical capacitance.

The coding system on the compact disc has far more capacity than is needed for sound reproduction. The player can he programmed to play the tracks in any order, to display track titles and other information about the tracks as they

With such a small disc, the player is no larger than a cassette so it can be used for portable equipment and in cars. Until now there has been no satisfactory portable system for

companies anch as PolyGram in Germany and CBS/Sony in Japan which are already installing the disc pressing equip-ment. "Software will be very important to the success of the discs. We intend to offer more than 100 different titles with the day of launch," said Mr

problems associated with artists copyright which have to be solved and there is a lot of material available which can be transferred to disc," he said. Mr Harrison said that the

discs can be produced in two ways; by injection moulding or by the 2P process developed for the larger video discs. Philips has chosen injection moulding for the small discs while Sony is using the 2P process.

This involves coating a glass

plate with a photoresistive material. A powerful laser beam cuts out the pits corresponding the recorded digital code for the audio signal. After undergoing a silvering process this becomes the glass master which is pressed against

a nickel plate to make a reverse copy. This nickel master is then used to make other copies to form the production stam-

Eindhoven research on friction problem

BY GEOFFREY CHARLISH

hoven, which for some 20 years types. A specially developed has been investigating spiral grease is employed in the groove bearings, reveals that grooves. When relative motion such components are now being of the surfaces occurs, pumping mass produced for use in the action of the grooves produces

have always posed a problem for friction. must have low friction, smooth performance (for example, to avoid tape speed cyclic varia-tions) long life, and above all they should need no attention during the life of the product.

In the early days, oil had to be applied by the user; later, sintered metal bearings were introduced in which the small voids in the metal stored oil for permanent subrication. The Philips work has pro-duced designs in which helical

PHILIPS RESEARCH in Eind- hearings or spirals in thrust Video 2000 cassette recorders. overpressure in the grease, keep-Domestic products ranging ing the surfaces apart, from shavers to cine cameras eliminating wear and reducing

> Philips has looked at both metal and plastics for the bearing components. Plastics have the disadvantage that they are less able to conduct frictional heat away from the bearing ...

However, they transmit vibration less readily between shaft and frame, and also they do not accelerate oridation of ases, giving a longer life.

The company can produce either type: special tools have been developed for cutting the



Atlas Copco Compressed Technology

Splicer for optical cables

A DEVICE for producing high quality splices between optical fibres and cables has been developed by Cabloptic SA, of Avenue François-Borel, CH 2016 Cortailled NE.

The autonomous splicer Pose the fibre extremities superfici-ally, using a flame as energy source to guarantee precise control of the heated zone.

Gas reserve

Working with a compara-tively long splicing time of about one minute, the device allows the surface the liquid quartz film to provide perfect automatic centring of the two fibres to one another. The gas reserve and sealed hatter incorporated into the splicer provide a intal autonomy of several hours, during which over 80 splices can be made.

Software for Britain

MANAGEMENT Science America, MSA, is making its Peachtree software for micro-computers available in the UK.

The company says that the small business user will have the chance to buy business software such as financial fore-casting, sales ledger, inventory management and word process-ing programmes to suit all leading microcomputers.

Last year Peachiree software was chosen by IBM for its personal computer. More in-

Hitachi announces two high capacity memories

ortable equipment and in cars.

Once pressed the discs are lovered in a reflective material statisfactory portable system for oit can be read by laser followed by a final plastic coating lowed by a final plastic coating loses.

Two large capacity memories that beging a capacity of memory is the second memory is the systems and in floppy disc systems.

Two large capacity memories that beging a capacity of memory at large capacity memories that a covered in a read only of 0.5mA in active mode.

The biggest is a read only of 0.5mA in active mode.

The beging a capacity of memory at large capacity memories that beging a capacity of memory at large capacity memories that beging a capacity of memory is the second memory is a system at large capacity memories that beging a capacity of memory at large capacity memories that beging a capacity of memory is the systems.

Two large capacity memories that beging a capacity of memory is the systems at large capacity of memory is the systems.

The biggest is a read only of 0.5mA in active mode.

The beging at large capacity memories that beging a capacity of memory at large capacity memories that a read only of 0.5mA in active mode.

The biggest is a read only of 0.5mA in active mode.

The biggest is a read only of 0.5mA in active mode.

The beging at large capacity of memory at large capa

this is used to make a more robust metal master for mass production.

Disc manufacture is akin to conventional record production once the glass master has been produced. A laser beam

forms the tiny information pits on light sensitive lacquer

covering the glass. Unwanted areas are etched away and

Airport control rooms

THE TRREPRESSIBLE growth of aluminium. in worldwide airport construction, which continues to provide one of the few really hright spots on the international civil engineering scene, is also working wonders for a small UK fabrication specialist

Aluminium Alloy Fahrica-tions (Alifabs), based in Woking, Surrey, may be "small fry" in corporate terms but long experience, soundly-based growth and more than a touch of entrepreneurial flair are like Saudi Arabia, Hong Kong enabling it to make an impact and the West Indies. in an international market But the company's which it has itself helped create. Alifabs—started 25 years ago by a structural engineer and an accountant-can hardly claim a history of meteoric success. Today it employs 50 people, has annual sales of £1.5m and operates from modest premises on a modest industrial estate tucked away behind the local golf club.

The foundation business has been in using its engineering expertise to coninvariably awkward architectural concepts into tangible buildings, via the use

A VERSATILE dense building

block (the DSS), which it is claimed can he quickly and

easily laid with one hand, has

been introduced by Beachcroft

Concrete Partitions, a member of the Phoenix Timber Group.

Measuring 200mm x 140mm x

260mm, it has been developed

to meet the need for a dense

general purpose block which also satisfies the Building Regulations for single leaf party

The D3S has an indentation

in the top for the BCP Blocade

lifting tool. Used in conjunction

with the D2S block, it enables

neat openings to be built and

facilitates bonding of party

walls with orthodox block walls

while retaining the running

bond in both, without involving

It is said to be particularly

nseful for laying header bond on strip foundations for the

260mm wide base of a wall of

normal brick- cavity -block or.

block-cavity block construction.

As a dense masonry block the

D3S can be used in this posi-

tion (below the damp proof

course) without any need for

The D3S blocks cost £8.67 per

square metre for delivery in the UK, including crane offloading

and shrink wrapping.

any block cutting.

certification.

aluminium to launch a range of standard hullding products likely to provide some all-important bread and hutter

The strategy paid off, and Alifabs' expansion joints, wall copings and gutters are now widely used by the construction industry, not only in the UK but in overseas markets

But the company's heart still clearly lies in its specialist capabilities and it has been able to combine these with its desire to build up international husiness by concentrating much of its overseas effort on the provision of an integral part of any airport development.

With 60 new airports a year currently heing developed, Alifabs thinks the potential is enormous, and is now receiving Closer to home, the company is providing the new £100,000 control room for Liverpool's Speke airport.

WHAT'S NEW IN BUILDING

More from Beachcroft Con-

GKN Mills Bullding Services has extended its hire range of

access equipment with the

introduction of two trailer-

Roto-Zoom-

mounted hydraulic access plat-

forms, Topper Roto-Zoom-Boom 12 and 15. TRZB 12 is

operated by two motors and

About 13 years ago, the com- found perched on the top of pany used its experience in strategically located columns, are almost endless in their permutations and can be made to suit the largest international airport complex or the smallest local terminal.

crete Partitions, 80 Capworth 12 metres, whila TRZB 15 is Street, Leyton, London E10 three-motor operated and

BUILDING AND CIVIL ENGINEERING

According to Mr Frank Adlam, Alifabs' chairman: "We believe the scope in this area is enormous and there are few companies capable of offering standards and specifications which compete with ours. Aluminium is more expensive than alterantive materials but it can provide all the qualities which are required of a structure which may have to withstand every extreme in climate and which may rarely be main-

> The company's domestic and overseas sales have already risen by nearly 60 per cent in the past two years and foreign markets now account for about 40 per cent of all sales. The target is to push total sales up by a further 20 per cent in 1982-83, with the emphasis on overseas contracts.

has a maximum height reach of

three-motor operated and

reaches 15 metres in height.

Both platforms were chosen

for their boom configuration which allows a greater variety

of cage positions (01-567 3083).

JUST PUBLISHED by the Cement and Concrete Associa-

tion is a report Further investi-

concrete block paving (Ref:

42.545) which covers tests car-

ried out to establish whether

the type of sub-base influencea

a reduction in stress, particu-larly as flexible sub-bases are

often used. The tests showed that the load-spreading is

greater on a flexible sub-base

and the resulting horizontal force experienced by an edge restraint is low. The report

C and CA has also issued a

booklet on Plastic cracking of

concrete (Ref: 45.038) which is

intended to help site super-

visors to avoid plastic cracking

during the placing, finishing and

curing of concrete. Both publi-

cations are available from the C and CA. Wexham Springs.

costs £2.25.

Slough, SL3 6PL.

Bad times for precast concrete industry

PROFIT MARGINS for the UKprecast concrete industry have been slashed to as low as 2 per cent and returns on capital now stand at a 12-year low of 6 per cent. This has happened, according to the British Precast concrete Federation, despite increased sales per employee.

Crits in public and private expenditure over the past two years have forced many operafors to rationalise an already heavily capitalised industry. Employment has fallen by about 20 per cent to 19,000 since the present government took office,

CEMENT PRICES IN EUROPE* Price pert ton Austria Spain £27.28 Belgium £24.50 £18.91 West Germany Central London £41.52

Nov 1981 Source : BPCF

and the BPCF now urges swift action to turn the industry around. The return on capital and

profit margin figures are the lowest for the past 12 years, and are a result of continued low and higher raw materials particularly cement, Compared against a 1974 base

index of 100, precast product prices now stand at 348, cement prices have risen to 472 and aggregates to 356. The industry has thus been unable, or unwilling, to pass on price increases in its primary

raw materials. Britain also pays a much higher price for its cement than its European counterparts. A tonne of cement will cost a London builder £41.52, but the same quantity would cost only £18.91

in Garmany. The basic minimum rate of pay per hour for precast concrete workers outside London has increased steadily during the last decade. It currently stands at £1.60 per hour compared with £0.40 per hour in

المكرام المامل

PAUL HANNON

Designs for centre of Baghdad

BRITISH ARCHITECTS, Shep-pard Robson have been rises to a height of eight storeys appointed to carry out two and culminates in a 22 storey major commissions in the centre tower at Nufur Square. Total floor area of 58,000 sq

Design work has started on a metres will provide shopping £36m project for a group of facilities, a cinema, cafes and huildings in the centre of the restaurants at the lower levels. city. These buildings will serve with residential and office as a gateway to the redevelop-ment of Khulafa Street, the

of Khulafa Street between Sabawi Square and Nufur Square facing the Museum of Modern Art. The proposed Master Plan for the redevelop-

clty's main thoroughfare.
This site is on the north side

24 years.

accommodation above.

struction expected to take Sheppard Robson have also been appointed to prepare a

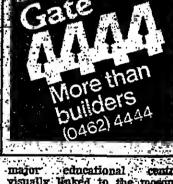
scheme responds to the present ment of an underused site of

The project will go out to

tender in early 1983 with con-

40 hectares (100 acres) at Naaish Khana, near the pilgrimage mosque of Kadhimain in the north west part of Baghdad. Attracting in the region of

a million visitors annually, the mosque is one of the most important religious shrines inthe Islamic world. Through conversion with religious and party leaders the designers have developed proposals for the area which will include bousing, schools, comprehensive sports facilities, public areas and auditoria, buildings for com-



200 mg

Side of the car.

-

Trefer

CAND. F

major educational centre visually linked to the mosque by its scale and physically linked by a pedestrian mall Assisting Sheppard Robson will be Buro Happold (structural engineers). J. Roger Preston (service engineers) and Hanscombe Partnership (cost consultants) in association with merce and light industry and a the Baghdad office of TEST.

CONTRACTS

£17m shield for Babcock

Over 300 men-including a supervisory team from Babcock Power construction division will be involved with the work, which is scheduled to last five

DARCHEM Engineering is tha contractor for the thermal shield responsible to the National Nnclear Corporation whn are agents for the Central Electricity Generating Board and the South of Scotland Electricity Board for the new "nuclear islands" being constructed at Heysham, Lancs, and Torness, Lothiao. Total value of the Lothiao. contract is over £90m for the thermal shield work. DARCHEM will carry out all

engineering and management team at Torness. TWO CONTRACTS have been

awarded to the Manchester

TION UK which total £4.8m. Under a £3.78m contract placed by Manchester Corporation Wimpey is to build 106 twostorey bouses and 138 flats in metres of rock overburden at two-storey blocks in Orme Street, the National Coal Board open Beswick, Manchester, a central city area that is being redeveloped. The dwellings will be of traditional brick construction. Work has begun and is doe for completion in December 1983.

The North Western Regional Health Antibrity has placed a Billian contract with Wimpey to build a new laundry for Oldham

East coal site at Headless Cross. SECOND CONTRACT of Belavant to BOSKALIS WESTMINSTER Phase I of the Port of Belavant to BOSKALIS WESTMINSTER Phase I of the Port of Belavant to BOSKALIS WESTMINSTER Phase I of the Port of Belavant to BOSKALIS WESTMINSTER Phase I of the development of the development of the DHARSAMRIN GROUP to the production cycle, and to four contrast Contract to the development of the Indonesian poor is divided to the development of the development of the Indonesian poor is divided to the development of the development of the Indonesian poor is divided to the development of the Indonesian poor is divided to the development of the Indonesian poor is divided to the development of the Indonesian poor is divided to the development of the Indonesian poor is divided to the development of the Indonesian poor is divided to the development of the Indonesian poor is divided to the development of the Indonesian poor is divided to the development of the Indonesian poor is divided to the development of the Indonesian poor is divided to the development of the Indonesian poor is divided to the development of the Indonesian poor is divided to the development of the Indonesian poor is divided to the Indonesian Beswick, Manchester, a central

BABCOCK POWER will he and District General Hospital involved in the construction of Part of a major redevelopment involved in the construction of the major redevelopment the Torness AGR nuclear power of the whole hospital, the station in Lothian. Scotland The laundry will be a steel framed company has been awarded a film contract by DARCHEM and patent glazing with a metal decking and PVC roof. The the erection of thermal shields building will be complete with which will be manufactured and supplied by DARCHEM.

Over 300 men—including a 1983

Wimpey has been awarded a £1.68m contract by the receiver for the Metropolitan Police to build a police station at Home-field Rise, Orpington, Kent. The building will have five floors and a two-storey car park. The order calls for ancillary buildings and services. Work starts next month for completion in Angust 1983. The company also has a £96,000 contract to convert the West Ward in Southampton General Hospital to a geriatric

BALFOUR BEATTY CONthermal shield work.

DARCHEM will carry nut all phases of the work on the Heysham contract with their personnel and will supply an avaraged access ramps in reinforced concrete for British Authority's Authority's Airports Anthority's naw Terminal 4 Building at Heathrow Airport. The terminal is heing constructed under a management contract by Taylor Woodrow Construction. The conoffice of WIMPEY CONSTRUC. tract is due for completion in 18

SIX-YEAR, -£3m contract to drill and blast about 20m cubic cast coal site at Headless Cross, Lanarkshire, has heen awarded to BOSKALIS WESTMINSTER CONSTRUCTION by main contractor Murphy Brothers,

ditions, a large rotary drilling rig-which is more than twice. as fast as conventional crawler rigs—has been purchased for the existing facade of the por-this project. The American tion of the new building to be made machine, known as Ree refuthished as well as resultd-drill SK25, is now operating on ing. 2 wing facing north St

MANAGEMENT for extensive rebuilding work at St Andrew Square, Edinburgh.

week programme and involves careful demolition to preserve the existing facade of the poring a wing facing north St. Andrew Street and the construc-tion of a new element with a Assurance Society has awarded rear of the existing properties as \$3.7m contract to SER Finishings will include MANAGEMENT for contract armour-clad seems in the MANAGEMENT for contract armour-clad seems include. Finishings will include armour-dad glass vestibules, hardwood facings and panelled doors and a large amount of ornamental plasterwork.

Work has started on the 130-

INTERNATIONAL CONTRACTS £13m Fiji power project

at Belawan

KIER INTERNATIONAL & metres wide. The dect, which member of the French Kier is in-situ concrete also and paragraphy with cast beams is supported to Downer and Company of New some 1,100 inforts steel offices Contract valued at £13-km for contract valued at £13-km for contract includes the placing of the Monasavu power project in some 50,000 sq metres of rock Fiji. The 33 month contract slope protection valued at for the Fiji Electrons slope protection valued at for the Fiji Electrons slope protection valued at assumd £12m, the contract was savened £12m, the contract was swarded by the Poir Administration of 1.8 to 2.75 metres diameter strain in behalf of the funnels, a high furnary and vent shaft 150 metres deep and foreign exchange component of four concrete diversion wears. Consultants are Sir Alexander Ricellandian Government of the consultants are Sir Alexander Ricellandian in West Ricellandian are Sir Alexander Ricellandian and Pariners if Ampublication and Pariners if Ampublication and Pariners if Ampublication and Pariners if Ampublication and Pariners in American and Parin

Distreear fer Algeria

S SOUTH

Side .

TELEVISION

BBC-2 for six completely new programmes.

with words and music" by Anthony Burgess,

make do with much less energy.

10.00 am Managing the Micro.

2.00 pm A Child's Place. 2.25 Maths Help.

73.55 Star Movie: "The Silent Bell."

5.05 World Skiing Champion-

Computer Pro-

2.40 Other People's Lives.

10.35 Speak for Yourself.

11.00 Play School

11.35 Write Away.

3.05 The

11.25 Play it Safe !

gramme. 3.30 Business Club.

ships.

Chris Dunkley: Tonight's Choice

of a Channel ferry at one end and straight out of the other end into the dock doesn't make you largh, and you don't find

it funny to see a police chief reprimanding one of his officers

for repeatedly arresting the same man on charges of having

fuzzy hair, wide lips, and smelling of curry, then you'll pre-

sumably be watching Not The Nine O'Clock News tonight for

the sake of Pamela Stephenson's marvellous impersonations. Or

just for the sake of Pamela Stephenson. The show returns to

to the Energy Crisis?" and promotes the idea that we could

broadcasts Blooms Of Dublin, a three-hour "musical for radio

BBC 2

Horizon immediately afterwards asks "Whatever Happened

To mark the centenary of the birth of James Joyce Radio 3

If the sight of the cars being waved frantically into the maw

9.08 mm For Schools Colleges 10:00 You and Me. 10:15:12:07 pm. For Schools, Golleges, 12:30 News 1.00 Pebble Mill at One: 1.45 Camberwick Green 2.01 For Schools, Colleges 3.00 Delia Smith'a Cookery Course.

3.25 See Hear! 3.53 Regional
News for England (except:
London) 3.55 Play School 4.20
Secret Squirrel: 4.25 Jackshory.
4.40 Playhouse 5.05 John Graven's
Newsround 5.10 Blue Peter.

BBC 1

5.40 News 6.00 Nationwide (London and South East only) 6.25 Nationwide

6.55 Doctor Who starring Peter Davison.
7.20 The Rockford Files starring James Garner.

8.10 Panorama: 9.00 News. 9.25 Last of the Summer Wine starring Bill Owen, Peter Sallis and Brian Wilde.

Death ") 10.40 Film 82 with Glyn Worselp 11.10 Big Jim and the Figure Chib starring Norman Rossington, Roland Curram and Priscilla

Morgan. 11.38 News headlines. 11.40 Speak for Yourself: Apologising and Complaining.

All IBA Regions as London

except at the following times:

ANGLIA

BORDER

CENTRAL

Menday Screen Matines: The Mind of Mr Screen, 3.45 Money-Go-Round. 6.00 Central News. 10.30 Parents end Teanegers. 11.00 Central News. 11.05 Left, Right and Centre. 11.45 Paris by Night. 12.15 am Something Different.

CHANNEL

1.20 pm Channel Lunchtime News. What's On Where and Weather, 2.30

(S) Stareophonic broadcast # Medium wave

RADIO 1
S.00 am As Radio 2. Z.00 Mike Haid.
9.00 Simon Bates. 11.30 Days Les
Travis. 2.00 pm Paul aumett. 3.30
Stovs Wight. 6.00 Pater. Powell. 7.00
Stayin Aliya with Andy Peebles. 8.00
Onvid Janson. 10.00-12.00 John Peel

11

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1.20 pm Central News, 2.00 The enday Screen Matinee: "The Mind

The Mandey Matines: "Sunstruck."
5.15 Emmerdale Farm. 6.00 Channel
Raport. 6.30 The Two of Us. 10.28
Channel Late News. 10.35 Ledies Man.
11.05 Golfing Greats (Johnny Miller).
11.30 Barney Miller. 11.55 News and
Wasther in French. 1.20 pm Anglia News. 2.30 Menday Frim Marinze: The President's Mistress " (FV Movie). 5.15 Univer-sity Chellenge. 6.00 About Anglie. 6.30 Survival. 10.30 Anglie Reports. 11.00 The Palace Presents. 12.00 Supembar Profile. 12.30 am Reflection.

GRAMPIAN

8.25 am First Thing. 1.20 pm North News: 2.30 Menday Matines: The Amorous Prewn, starring lar Car-michael Jean Graenwood. Cecil Parker and Dennis Price. 5.00 North Tonight. 5.30 Country Focus. 10.30 Monday Movie: "The Seven-Upe." 12.25 am North Headlines. 1.20 pm Sorder News. 12.00 Film:
"Nursa Edith Cavell," sterring AnnaNeagle. 3.45 Money-Go-Round. S.15
Sygonee. 6.00 Lookareund Mendey.
6.16 The Sound of ... Lorna Delisa.
6.30 M and Mrs. 10.30 Fhrillar. 11.40
Sorder News Summery.

GRANADA 1.20 pm Graneds Reports. 2.30
Martines: "The Best Pair of Legs in
the ausiness." 5.15 The Adventures
of Bick Turpin. 2.00 Mr Merlin. 5.30
Granada Reports. 9.00 Quincy. 10.30
Best Sellers: "From Here to Evernity."

1.20 pm HTV News, 2.30 Monday Maxines: "Catch Me a Spy," 5,1S Diffrem Strokes, 6.00 HTV News, 10,28 HTV News, 10.30 Soap, 11.00 Gillan., 11.30 Parents end Teensgem, HTV Cymru/Welse—As HTV West except: 12.00-12.10 pm Ffsjabalam,

Nick Jackson. 71.00 Briss Matthew with Round Midnight. 1.00 am Truckers' Hour with Shells Tracy (S). 2.00-5.00 You and the Night end the

RADIO 3

RADIO 2

S.00 are News. 6.02 Cricker Deak, S.03 Ray Moore (S). 7.30 Terry Wogen (S). 7.30 Jimrey Young (S). 12,02 pm Cricket Deak, 12,03 Glorie Hunnipord (S). 2.00 Rd Stewart (S). 4.00 News. 9.05 This: Week's Compared (S). 2.00 Rd Stewart (S). 4.00 News. 9.05 This: Week's Compared (S). 2.00 Rd Stewart (S). 4.00 News. 9.05 This: Week's Compared (S). 2.00 Rd Stewart (S). 4.00 News. 9.05 This: Week's Compared (S). 9.45 Lutyens and Gurphay Lyttleton with 100 Organ (S). 11.15 Schumann plano (S). 9.00 News. 10.30 Ster Sound with News. 1.05, 28G Lutyens and Compared (S). 11.05 Schumann plano (S). 10.00 Monday Movis Quiz with Naws. 1.05, 28G Lutyens Concert (S). 1.00 Pm Naws. 1.05, 28G Lutyens Concert (S). 1.00 Pm Naws. 1.05, 28G Lutyens Concert (S). 3.10

4.15-4.20 Mr Magee. 4.45-5.15 Ser. 2.00 Y Dydd. 5.90-7.00 Report Wales. 8.30-9.00 Yr Wythnos. 11.00-11.30 World in Action.

†5.40 Laurel and Hardy in "Going Bye Bye."

6.25 Mr Smith's Favourite Garden.

9.00 Not The Nine O'clock

7.30 The Genuine Article.

6.50 News Summary.

8.25 Grace Kennedy.

10.15 West Country Tales.

6.00 Maggie.

6.55 Riverside.

7.55 Perridge.

News.

10.45 Newsnight.

11.30 Télé-Montage.

9.25 Horizon.

SCOTTISH

1.20 pm Scettish News Headlines, Road Repert. 12.00 Menday Matinee:
"Renis of the Simple Men." 3.45 Mensy-Go-Reund. 5.15 Emmerdale Ferm. 6.00 Scotland Today. 6.40 Crimedesk. 10.30 Late Call. 10.35 Gelfing Greets (Byron Nelson). 11.05 Thriller.

TSW

1.20 pm TSW News Headlines. 2.30
"Sunstruct," starring Herry Secombs.
4.12 Gus Heneybun's Magic Birthdays.
5.15 Emmerdals Farm. 8.00 Today
Seuth West. 6.30 The Two of Us.
10.32 TSW Lata News. 10.35 Ledias
Man. 11.05 Goffing Greats (Johnny
Miller). 11.30 Barney Miller. 11.55
Pestscript. 12.00 Seuth West Weather.

1.20 pm TVS Naws. 2.30 Monday Matinee: "The Card," sterring Alac Guinnass, Glynis Jehns, Valeris Hebson and Petula Clark. 5.15 Radio. 5.30 Ceaet to Ceaet. 6.00 Coaet to Ceaet. 6.00 Gillan. 10.30 A Full Life; Sir Roland Penrose, writer,

The Songs of Museorgeky (S). 3.30
New Recorde (S). 4.55 News. S.00
Mainly for Piessums (S). 7.00 Aspects
of the âldes. 7.30 "Blooms of Oublin,"
a musical for radio with words and
music by Anthony âurgess based on
"Ulysses" by James Joyce (S).
10.30 Jezz in âritain featuring the Mika
Westbrook Orchestra (S). 71.00 News.
11.05-11.15 Bohemian Nights (S).
Medium Wave with VHF except, 7.0511.15, am Crickat; Sixth Test. India v
England at Kanpur.

RADIO 4

8.00 am News arising, 6.10 Faming Week, 6.25 Shipping Ferecast, 6.30 Today, 9.35 The Week On 4. 9.45 Join Ebdon with a salection from the

poet eculptor and painter. Thrillar. 12.25 am Company.

LONDON 9.30 am Schools programmes

mark and Mai Zetterling in "A Prize of Gold." 415 Danger

News

Andrew Gardner and Rita

6.25 Help! with Viv Taylor

7.00 Wish You Were Here

8.00 Let There Be Love, star-ring Paul Eddington, Nanette Newman and

"The Dismond Mercen-aries," starring Tell-

Quentin

12.25 am Close: "Sit Up and

† Indicates programme in

black and white

Listen with

7.30 Coronation Street.

Henry McGee.

8.30 World in Action.

9.00 Hill Street Blues.

Savalas.

Crisp.

10.00 News.

5.45 News.

6.00 Thames

Carter.

6.35 Crossroads.

TYNE TEES 9.20 am The Good Werd. 9.25
North East News. 1.20 pm North East
News. 12.30 Menday Matines: "GangNews. 12.30 Menday Matines: "GangNews. 5.00 North East News.
5.02 Mr and Mrs. 6.30 North East News.
10.30 North East News. 10.32 Analing,
11.75 Lau Gmnt. 12.70 am Foilogus.

ULSTER 1.20 pm Lunchtims. 2.30 Menday Matines: "Suez," starring Tyrene Power, Lorette Yeung and Annabells, 4.13 Ulater News. 5.15 Redie. 5.30 Good Evening Ulater. 6.30 Mr and Mrs. 9.00 Quincy. 10.29 Ulster Weather. 10.30 Welcome Back Keizer. 11.00 Face Yeur Futum. 11.26 Rediema Future. 11.25 Bedtime

1.20 pm Calendar News. 2.30 Monday Matines: "Cetch Me a Spy." starring Kirk Douglae and Travor Heward. 6.00 Calendar (Emlay Moer and Balmont editions), 5.30 lt's a Var's Life. 3.00 Quincy. 10.30 There's Life Nerth of Watferd. 11.00 Lau Grent.

Bac Sound Archives. 9.00 News, 8.05
Start the Week with Richerd asker.
10.00 News. 10.02 Menay Sex. 10.30
Daily Service. 10.45 Morning Story.
11.00 News. 11.05 Oown Your Way.
11.50 Postry Pleasel 12.00 News.
12.02 pm You end Youm. 12.27 Legal,
Occant. Honest end Truthful (S). 12.55
Weather, programme news. 1,00 The
World at Ons. 1.40 The Archers. 1.55
Shipping Forecast. 2.00 News. 2.02
Women's Hour. 3.00 News. 3.02
Afternoon Theatre (S). 4.35 Sack in
Ten Minutes. 4.46 Story Time.
5.00 PM: News megazine. 5.90
Shipping Forecast. 5.55 Weather, programme news. 6.00 The Six O'clock
News. 5.30 Just a Minuta (S). 7.00
News. 7.05 The Archers. 7.20 Start
the Week with Richerd Beker. 8.00
Tha Monday Pley (S). 9.15 Kaleldoscope. S.59 Weether. 10.00 The World
Tonight, 10.30 Science New. 11.70 A
Book at Sattime. 11.15 The Financial
Werld Tonight. 11.30 Today in Pailiatheat. 12.00 News.

YORKSHIRE

Werld Tonight, 11.30 Today in Parliament, 12.00 News.

Canadian Indians' link to UK tested

12.00 Cockleshell Bay. 12.10 pm Rainbow. 12.30 Do It Yourself. EVERY ratepayer in Bromley these guarantees. They should North America Act 1867 and its as one and indivisible, with the knows how necessary or useful be honoured by the Crown in successors up to the Statute of development of the Commonstic can be, on occasion, to have a respect of Canada so long as Westminster 1931 was to create wealth this was no longer so. 1.00 News, plus FT Index. 1.20 Thames News with Robin Houston 1.30 About Britain. legal peg to prop a political 2.00 Money-Go-Rouod with Joan grievance. Concern for human Shenton and Tony Bastable. 2.30 rights is a worthy political Monday Matinee: Richard Widobjective, protection of human rights a worthy legal function. Proceedings aimed at upholding mousa. 4.20 Graham's Ark. 4.45 The Book Tower. 5.15 Mr and human rights cannot legitimately he despised as an abuse of the processes of litigation.

Last week, in The Queen v The Secretary of State for Foreign and Commonwealth Affaira ex parte the Indian Association of Alberta, the Court of Appeal, in three separate judgments reflecting three separate viewpoints, decided unani-mously that in their current litigation in London the Indians of Alberta, Nova Scotia and New Brunswick were using the wrong legal peg to support

their political grievances. The Indians were applying for declarations hy way of proceedings for judicial review-proceedings which are becoming very much a growth industry—that the Foreign And Commonweelth Office had misstated the legal position concerning the rights of the Indian peonles of Canada and that the Govern-ment of the UK still owed them various treaty and other obliga-

The Indians relied strongly on the Royal Proclamation of 1763. which they ranked as their Bill of Rights. This proclamation declared that it was "just and reasonable, and essential to our interest, and the Security of our Colonies, that the several Nations or Tribes of Indians with whom We are connected, and who live under our Protection, should not he molested or disturbed in the Possession of up of courts, legislative council such Parts of our Dominions or other structures of governand Territories as, not having heen ceded to or purchased by in a colony and a dominion was Us. are reserved to them, or any

This proclamation has never been explicitly repealed in Engheen treated as having legislative effect.

Grounds."

Lord Denning, in a judgment reflecting a narrative historical viewpoint and as exciting as an episode of The Archers, came to the sanguine conclusion that there is nothing, so far as I can see, to warrant any distrust by the Indians of the Government of Canada.

"But, in case there should he. the discussion in this case will etrengthen their hand so as to enable them to withstand ony onslanght. They will he able to Britaio to another government done little to suggest that he say that their rights and free- withio the Commonwealth withdoms have been guaranteed to out any express statutory or them by the Crown, originally other transfer, but merely by which invariably produces a by the Crown in respect of the virtue of the creation of the high proportion of winning UK now by the Crown to respect of Cansda, hut in any case, hy the Crown.

"No parliament should do and ohligations in question. anything to lessen the worth of

whatever for any declaration."

Overwhelmed by such a internal affairs. sonorous peroration, who dates words hutter no parsnips"? And this is an adage likely to remain relevant ao long as the sun rises and the river flows. Lord Justice Kerr preferred

a philosophical topographical method as the basis of his

the sun rises and the river an all-embracing federal strucflows. That promise must never ture for Canada, which was Commonwealth attained selfhe broken. There is no casa wholly independent and auto- government to a greater or less nomous in relation to all

All rights and ohligations in to he so hold as to remind him- relation to the Indian peoples self of the old adage "fine of Canada had devolved from particolar territory concerned. the Crown in right of the UK to the Crown in right of the hy the Indians had no foundation in law.

Lord Justice Kerr seems to

THE WEEK IN THE COURTS

BY JUSTINIAN

and hare issue for the Court was responsible organisation in a mately owed hy the Crown, the UK on the one hand or of the Dominion or Provinces of Canada on the other.

It was settled law that although Her Majesty was the personal sovereign of the peoples inhahiting many of the territories within the Commonwealth, all rights and obligations of the Crown could only arise in relation to a particular

government of those territories. The reason was that those rights and obligations could only be exercised and enforced, if at all, through some governmental emanation or representation of the Crown.

It was clear that on the ground of a representative legislature or from the aetting meot Her Majesty's Government to he regarded as distinct from of them, as their Hunting Her Majesty's Government in the UK.

The liabilities of the Crown in right of or under the laws of land or Canada, but has always one of the Crown's territories could be satisfied only out of the revenues and hy the authority of the legislature of that territory.

The situs of ohligations on the part of the Crown was to be found only in that territory within the realm of the Crown where such ohligations could he enforced against a local administration.

There might and could be a devolution of rights and obliga-tions of the Crown in respect of the government of Great new government and of the favourites assignment to it of respossibili- favourites, ties which related to the rights afternoon with the Leicester-

judgment. For him the abstract say in effect that by creating a as to situs of ohligations ulti- particular area-you automatically transfer to it all responsiwhether in right or respect of bilities previously exercised in that area by other organisations, even though you do not take the trouble to state that you are transferring all or any of those responsibilities. This overlooks the concept-and the fact—of overlap of responsibi-lities and of obligations.

> Lord Justice May opted in his judgment for a political. constitutional viewpoint. Hе said that at the root of the Indians' application and the orguments in support of it there was a fundamental misunderstanding of the constitutional position.

correct to describe the Crown perform.

extent, so did any rights or ohligations of what had been the Imperial Crown devolve upon the Crown in right of the A natural consequence of the progress to self-government Dominion or Provinces of was that parliament in the UK Canada. The declaration sought would not interfere with or derogate from laws passed by the legislature in a self-governing territory on any subject which had been in truth left to their jurisdiction. To contemplate any other result would he to

contemplate legislative and

As different territories in the

inter-governmental chaos. As a result of the evolutionary and devolutionary process, any treaty or other obligation which the Crown had entered into with the Indian peoples of Canada in right of the UK had become the responsibility of the Government of Canada with the attainment of independence.

This makes a piquant contrast to the view of Lord Justice Kerr who thought that pendence or the degree of independence is wholly irrelevant to the issue, because it is clear that the rights and obligations of Crown will arise exclusively, in right or respect of any government outside the UK as soon as it can he seen that there is an established government of the Crown in the overseas territory in question."

The devolutionary - evolutionary process moves in a-Although at one time it was mysterious way its wonders to

RACING BY DOMINIC WIGAN

IT WAS to he hoped that Saturday's Irish Sweep's Hurdle would shed some light on Cheltenham at a time when the major Festival prizes-the Gold Cup, and the Champion and Triumph Hurdles-look more open than ever and any one of seven or eight hurdlers could emerge favourite for next week's Schweppes Trophy. This was not to be.

The race offered practically no guide to next month's Champion Hurdle other than that Daring Run will be hardpressed to improve on his third place of a year ago.

Favourite for the Champion since November, Daring Run has The Hunter Chase season,

and second favourites, gets under way this shire Maiden Hunters Chase. The effect of the British | Here, Kaylad, who boasted only

moderate point-to-point form in 1980 before heing pulled up on his only appearance in a hunter chase last season, can hardly he recommended with confidence on those credentials.

However, I suspect that the Suffolk seven-year-old is the one that they will all have to heat as he sets out to confirm reports suggesting that he has made above average improvement. At Plumpton, where London-

based racegoers are unlikely to have earlier stampeded for the £680 return trip quoted for British Rail in Saturday's Sporting Life, Set Point could he up to lifting the day's other hunter chase—the Challenge Cup.

> LEICESTER 1.30-The Thatcher 2.00-Gold Spun 2.30-Roller Coaster 3.00—Royal Friend 3.30—Kaylad***

4.00-On A Clond PLUMPTON 2.15-Charlie Muddle 2.45—Saldatore 3.45—Set Point** 4.15-Mons Bean

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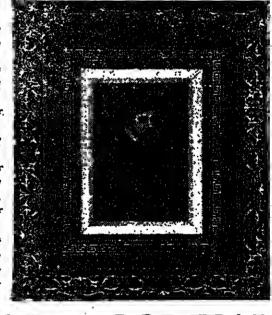
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and three floors

served by an eight passenger lift.

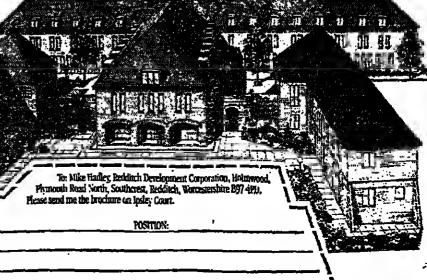
The complete gas centrally-heated building lies close to the centre of an area that is fast building its own enviable commercial reputation: Redditch. Road, rail and air links put the whole country within easy reach, yet Redditch enjoys a quality of life in rural surroundings that few other central areas can match.

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place that can enhance your reputation and your profitability, in one.





Why three men decided to iump out of the same boat

Ian Hamilton Fazey describes the birth of an electronic information system

developed by Technalogics. Eritain — in shopping centres, Transmission was by cable to in exhibition halls, at sporting

enabled them to be updated of Redditch, is going to use it

TECHNALOGICS Computing could well become an archetypal example of what the regeneration of British industry is supposed to be ahont. Its three founders were frustrated by big company life, bad some good ideas, and eventually manto get themselves National Enterprise Board hacking of more than £45,000.

The NEB. now merged with the National Research Development Corporation into the British Technology Group (BTG), has 40 per cent of the equity. The heart of the company, however, is the combined talent of its three young founders. Andrew Polkowski, Mike Siddles and Lawrence Cook who met while working for Plessey in

The electronics giant bad not yet hegun the production its present System X electronic switch exchange for British Telecom and there was about the plant a demoralising lull that was periodically depressed by further redundancies.

Polkowski bad become convinced that his future there was going to be limited anyway. He was a staff nulon

SPECTATORS at major British golf tournaments last year were abla to keep up with the state of the play better than ever, thanks to some astute marketing management by Techna-

By looking at one of the tele-vision sets placed about the course by Extel, the news and sports wire service, they were able to read the positions of competitors on the leader board. find out who was tee-ing off when or who was playing where, and take in any other signifi-cant Information about the tournament.

Extel provided other sporting information too, and, to pay for the service, there were advertisements, some in characteristically familiar viewdata format and some in more conventional form, played back

sporting eveots. It came to sporting eveots. It came to wider notice when IPC used it to keep delegates informed of events at the CBI conference in November.

Soon, television screens will advertising on his TV screens, reveals will flow. from video tapes.
What io fact the spectators were able to look at was the self-contained viewdata system start appearing in many parts of reveous will flow.

representative who quite cheerfully vented his boradom hy wbat senior manage-ments call "making trouble." London-born, he had read physics at Liverpool University, liked Merscyslde, and decided to stay there. The prospect of industry excited hlm—until be joined Plessey in 1972 at the age of 21.

In his own words: "It was like jumping straight into treacle. Nothing ever seemed to be happening. I nsed to spend my days trying to think of something to do on my own so I could get out and do it. Then Lawrence Cook joined

Cook, also in his twenties, had already designed a printed circuit board and sold He and Polkowski got together and started on the do-it-yourself TV circuits market. When teletext started, Cook made himself an adaptor for his set at home, and that was where Siddles came in.

Siddles was finding life at Plessey "frustrating, grim and lacking in real direction." He heard about Cook's teletext adaptor, wanted onc himself for the same purpose but could not be bothered to

each television set with Extel

controlling the system at the course through a small, micro-

The frames carrying the

information were recycled con-

tinuously, like an endless reel,

giving the system Its name, the

Carousel. An editing terminal

the central control point

The development was kept

secret while Extel established

its corner of the market at

processor-based computer.

when oeeded.

wire it all np. So he designed a printed circult board to do the job. This transformed Cook's invention from 2 Heath-Robinson device to a unit that could be produced

They marketed their teletext adaptors through the D-I-Y electronics press for £200 each at a time when carly, factory-built teletext TV sets were costing £3,000.

Thus they bought a minicomputer and Siddles worked out how to hook it into Cook's teletext adaptor. Now they bad an expandable, micro-processor-based electronic information system on their hands. The obvious thing to do was to apply it to British Telecom's newly announced Prestel electronic information system and develop it into an editing terminal.

By 1979 they had their prototype ready. Meanwhile, Plessey had secured its System X contracts and life at work looked as though it might actually become exciting for a change. The problem, however, was that their cottage industry was becoming more than they could cope with In their spare time. One by one, two years ago, they

events and in big department

stores. The companies that

have bought Carousels, which

they will use to fill the screens

with appropriate information,

include newspaper groups such as East Midlands Allied Press,

Thomson Regional Newspapers.

and Westminster Press. Another

buyer, the Press TV Company

to put up shoppers' informatioo

and advertisements on a giant

Toshiba screen in the town's shopping precinct.

left Plessey and started looking for financial backing.

They worked in garden sbeds and bedrooms; Cook's semi in Prescot, a pleasant Merseyside suburb, became the centre of activity. They even sold their prototype to a Dutch publishing company that had been told by Philips it would take two years to develop something

They used their bouses as collateral for a £30,000 overdraft from NatWest and came close to losing them. They needed more cash so they went to the small business advisory service at Mersey-side Chamber of Commerce. That led to talks with ICFC. the NRDC and the NEB (now BTG), as well as an offer of private investment condi-tional on relocation to the Thames Valley.

However, they wanted to stay in Liverpool and finally secured NEB backing in Jam-ary 1980. Each of the three accepted a salary of £7,500 plus a percentage of future sales to clear up their £30,000 overdraft. The company was capitalised at £10,000 with the three founders taking 40

The astute piece of marketing

management has been to spot

the potential for something like

the Carousel and then shift the

company's stance slightly to be able to exploit it. The men be-

hind Technalogics bave in fact

developed the Carousel by de-

signing a special adaptor for the product through which they

originally hoped to become rich.

line editing terminal for Prestel.

Demand for it can be judged

The problem, however, is the

failure of Prestel to grow. As Dave Phillips, Techoalogics sales

manager, says: "At best the

Prestel market is stagnant; at worst it is declining."

from the fact that they bave it had already developed for found no difficulty in selling 51 Prestel users would do exactly at £7,000 each in only 18 that. Those terminals enable

This was, and remains, an off-

The message goes round and round



L to r: Michael Siddles, Laurence Cook and Andrew Polkowski: used their houses as collatera

match the BTG's share. To ensure availability of experienced management, an 11 per cent stake has been taken np by Sapling, an advisory service for small firms set up by the BTG and Manchester's Collinson-Grant Management Consultants. The remaining 9 per cent has yet to be taken

Under the deal the BTG has also bought £45,000-worth of preference shares and NatWest has allowed another £25,000 of overdraft. with an extra £50,000 of overdraft gnaranteed by the BTG. With UK and overseas demand

However, one thing became

blindingly apparent in the first

year of operation: Prestel may

be doomed to slow growth but

private viewdata systems are

They already operate in some

large companies. What was

needed was a cheap means of

letting a private operator no his own thing.

adapting the editing terminals

Prestel's Information providers

to edit their input to the central

What the Technalogies ter-

minal allows, therefore, is for

the editing to be done by the

Prestel computer off-line.

Technalogies realised that

now increasing and expansion assured, the BTG is looking now at even more funding.

So far, since all but final assembly work has been put ont to sub-contractors, Technalogics has generated only 10 direct jobs. This, however, will change as soon as the company gradually switches to employing its own out-workers and then to fullscale, in-house production in a higger factory than its present unit in Liverpool's famous Scotland Road. Eventually, something like 50 jobs

formation base for its owner's

Long term, the terminal is probably going to secure Tech-nalogics' future, especially since it will soon be adapted for overseas markets, using Tele don, the rival system to Prestel developed by the Canadians. But what has been needed is a going to face no such problems. means of generating cash for short - term growth. The Carousel, which is basically a viewdata editing terminal with a special adaptor to allow about 29 trames of information to be

> about £9,000. A more expensive addition to the system is under derelopment which will enable a shopper or spectator to press some buttons and quiz the data

looks like providing it.

In March last year, at tha information provider at source. end of the first 12 months of Information is stored on a operation, the company turned floppy disc, amended at will over about £140,000. and, wheo required, is des- second year's turnover looks patched quickly and without like exceeding £600,000 and the pause to the Prestel data base company is now predicting a via the telephooe lines. But on turnover rate of £1m a year by that floppy disk also is an in- the end of 1982.

flashed onto ordinary television screens in continuous sequence,

Each has been selling for

base.

are likely to be created.

private system.

Management abstracts

One way of tackling absentce-risk assessment noting successes ism. R. E. Kopeleman and and failures.
others in Personnel Admini-Strategic growth through merger strator (U.S.), May 81: p 57 (5 pages, tables).

Presents a neo-Parkinsonian law of sick-leave abuse, identifies costs associated with such abuse (especially casual absence), and provides an but gives employees the oppor-tunity to "plan" casual absence with management approval. Looks at the scheme's advantages, and how employees

Management of idle cash. C. H. Gibson and G. Court in American Journal of Small Business (U.S.), Winter 81: p 11 (111 pages, charts,

Describes how "ldle cash"—money beld in bank accounts. above operating requirements—can be identified and invested: stresses the importance of speed-ing up deposit procedures and delaying disbursements (but-warns against delaying payday); outlines investment alternatives.

Autonomous work teams boost clerical efficiency. R. Collis-in International Management (UK), Jun 81; p. 38 (2 pages)

Describes an experiment in the head office of the Societe Lyonaise de Banque, Lyons, where the hierarchy of supervisors, clerks and typists has been replaced by teams, members share tasks and take collective responsibility. Out-lines the preliminaries to the re-organisation, and training arrangements; claims higher productivity, increased job satisfaction, and fewer customer complaints. It is said that salary differentials will receive attention when restructuring is com-

Assessing risks in marketing strategy. K. Shah + P. J. LaPlaca in Industrial Market ing Management (U.S.), Apr 81: p. 77 (15 pages, charts,

Discusses types of risk which need to be assessed when developing a marketing strategy within the context of an overall business plan; suggests rules of thumb, and gives examples of how named companies approach

and acquisition. J. E. Temple + others in Financial Execu-

tive (U.S.), May 81: p. 23 (4 pages tables) Outlines how a company can draw up a profile of itself in order to decide what type of example of an absence control merger/acquisition partner ? scheme that doesn't aim at an ought to seek; gives advice enumblemished attendance record how to identify and screen candidates.

Graphies in employee/amaging reports. J. Lott + C. Forbes in Design (UK), Jun 81: p. 40 (6 pages, illus.)

Discusses the objectives of and illustrates pages from the employee reports of named companies; examines the way layouts/graphics help or hinder the presentation of information. Takes a look at trends in U.S. in annual reports for investors, and presents sample pages.

and presents sample pages.

Health promotion in the work place. M. P. Naditch in Education + Training (UK).

May 81: p. 156 (2 pages)

Describes a health programme for all employees of Control Data Corporation (U.S.) and their spouses; outlines programme elements, from initial medical examination, through "workshops" (on, eg. coestry and smoking) to social support activities (eg cooking); notes how the company relates notes how the company relates the results to absenteelsm/ productivity.

Strategies of effective low-share businesses. C. Y. Y. Woo + A. C. Cooper in Strategic Management Journal (UK), Jul/Sep 31.

After noting that research bas emphasised the importance of market share, reports from analysis of one lot of research data: that low-market-share businesses can be effective if they operate in stable markets (with slow growth and infre-quent product changes) and concentrate on them specific

These abstracts are condensed from the abstracting journals published by Annar Management Publications. Licensed copies of the original articles may be obtained at £2.50 each (including VAT and p & p; cash with order) from Anbar, PO Box 23, Wembley HA9 8DJ.



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Brisbane or Sydney or Melbourne Because we practically guarantee you'll arreve bright eyed and bushy-tailed', says Qantas.
"Well, Qantas. This will not be taken

lying down - says koala!"

The Australian Airmea

Festival Hall

THE ARTS

Greenwich

Season's Greetings

by MICHAEL COVENEY

author has rectified all that and

confirmed two of my most overfly held speaking suspi-

cions: that Ayekbourn prospers

in the proscenium arch—or end-stage—(despite his work origin-

ating "in the round") and that the setter the actors the better

The scene is a Christmas

family gathering in the Philistine suburbia that has be-

come the dismissively distilled natural Habitat of Mike Leigh

but where, as an observer of

hole in the corner desperation.

Arckbourn reigns supreme. His work is the stuff of Greek tra-

gedy as seen from the nooks and crannies of purpose built

family units. A few years ago, eminent critics such as Ronald

King Lear by Rosalind Carne

Lear stripped bare is no bad speech were something which responsible for the success of thing; it is, after all, what the he would happily forego. There the bleak, balletic storm scenes.

play is about. Sam Walter's is no need for declamation, but His delivery is excellent. Geof-

low-hudget production uses a whoever takes on Lear must frey Beevers makes a touching

tumes or props, concentrating the man is trying to say. Mr to see when his eyes have been rather on tough and heart-felt. Shelley is fine as the self-plucked out. The moment of interpretation. Off-stage per-deluding father, but when the torture with the accompanying formers are visible throughout crutch of flattery is withdrawn scream is blood-curdling, though

sidelines. I found it a moving The realisation stumbles as it to be offered so strong a contin-

and even frightening experimust do if the hero is treated gent of goodies. Frank Moorey

ence, despite two major as a brittle neurotic.

Shelley's What does emerge at the madeline Church creates an unclipped rendering of the principal role, and the hectic pace.

In the neurotic size a stardy, convincing Kent and Madeline Church creates an unclipped rendering of the principal role, and the hectic pace.

In the neurotic size a stardy, convincing Kent and Madeline Church creates an unclipped rendering of the principal role, and the hectic pace.

In the neurotic size a stardy, convincing Kent and Madeline Church creates an unclipped rendering of the principal role, and the hectic pace.

Much of the poetry is hard Peter Guinness is a mercurial Fool, skinny, mobile, boyish,

to follow and possibly income Edgar/Tom on the brink of accentuating the quasi-parental

prehensible for those who do supernatural frenzy. He hards relationship with the King, not know the play. The King himself about the stage with though missing the sharp-edge throws out his words as if standing abandon and is largely of pathos.

Jean-Philippe Collard

The young French planist, and, where needed, elbow room, masque and L'Isle joyeuse,

Yet, for much of the concert,

I felt an imbalance between the

elegance of schooling and the

concert formed part of the Wig- knowing Marguerite Long's ing might have decreed other more's Bassian series, and so description of the composer's wise, the performance of the

in their sweaters and slacks, he is a victim of the part's most not a drop of blood is visible.

viewing the action from the common pitfall. What is left?

from live appearances, gave a incompleteness, even at times

possible room for doubt about imagination Fauré's Theme and

the thoroughness and immacu-late finish of his technique. The case in point — even without

its second half was devoted to stringent demands for simpli-

Chaikovsky and Rakhmaninov; city from his interpreters, but in the first part Mr Cettard the listener might have been

played French music — Faure made uncomfortable by the and Debussy — and in their very obviously "plastic" shap-works the cool, screne beauty ing of the theme, with linger-

of his tone, each melodic line ings at the end of each limpfelly sustained, each inner sentence, or the less than strict

strand accurately placed at all anherence to Faures tempo

a cramping place for less closed a vein of mere pretti-

recital on Saturday that left no the Tanmaturity, of antistic nicated.

balance a concern for per- Gloucester, deep into the nature

sonality with a concern for what of a man who really does begin

the show.



Orange Tree, Richmond

small, square, acting-space,

shunning set, traditional cos-

Wigmore Hall

already reasonably familiar

here from recordings if less so

longueurs and an invisible wife night yawn menacingly before who sat in front of the TV for her. Varya and Lophakin were two acts before disappearing never more moving. This splendid revival by the

Enough of culture, back to the plot. Actually, the play falls apart after the interval despite the blissfully funny puppet show rehearsal and the writer (a character feebly conceived in other people's fatnous preconceptions of such a figure) running the gauntlet, disguised as Father Christmas, of the trio of women who have tried to remove his pants. The last of these assaults results in one of Ayckbourn's funniest curtains: funtive sex sets off a giftwrapped drumming teddy bear and arouses the house guests from respectable shumber. Barbara Ferris and Nigel Havers play the magnificently.

poet of the everydam and tions as a purposter. The self-effacing star of the lower-middle class Coward and tions as a puppeteer. When poet of the everydays; the Peter Vaughan's self-styled other night I saw Michael Billounge fascist shoots a looter, lington on television invoking hisen. nounce the villain dead only for the writer to groan comfortingly from the floor. Another small as the lights faded. Scrawled helf way down my notes on Act 2, I decipher the legend failure of diagnosis completes the agony. This is a top class evening, even if the play does not quite measure up to the best 'Chekhov." This is a comment Alan Ayckbourn brought his on the scene where a lonely not quite measure up to the best Scarborough company to the spinster, preparing to transport of the author in Absurd Person Round House in this play in a ludicrous writer from the Singular (another Christmas October 1980. There were private fray sees her silent débacle) and Bedroom Farce.

It makes an intriging change

finely tooled, never really came

to life -- a properly keen, in-

tense vision behind the pic-

torial reverie was not commu-

Strangely, although the dis-

tinctively Gallic properties of his tonal weighting and colour-

Russian composers seemed much

more committed. Chaikovsky's Dumka was propulsive as well

luxuriant expanse of Rakhmani-

"good manners" tended to inter-

the importance of an immacu-



Two Schoolgirls (1934-35) by James Cowie

Fine Art Society

James Cowie

by WILLIAM PACKER

There will always be artists, and good artists at that, who work out their lives in comparative obscurity, acknowledged only hy a close and discriminat-ing circle, if they are acknowledged at all. Just how many

there are is naturally a little hard to guess; but from time to time one will he brought out again into the light. Every such reappearance is a reassur-ance that so many others must be there too.

At the moment, indeed, we seem to be making rather more of an effort than usual at this of an effort than usual at this critical retrieval, what with Algernon Newton and now Meredith Frampton at home. John Sloan and Reginald Marsh in America, and of course all those. European Realists between the wars. We had thought so many of them to be out of so many of them to be out of touch with modernism, aberrant -they had often thought as themselves: we may all

have been wrong. In Scotland there was James Cowie, who during his time at Glasgow School of Art had steeped himself in Italian painting of the Quattrocento, in the work if Piero della Francesca in particular, had been the art master at Bellshill Academy suce 1918, and who, having apparently produced little of any distinction hitherto, began in the early 1930s to paint a series of substantial figure compositions, using for the most part his schoolgirl pupils as models.

These few major works and the work around them, the drawings and studies from life, as precisely fingered; and the constitute the core of his echievement, in a total ouvre nov's Corelli Variations awoke a glowing, well-paced response, pretty small. Most of them, and though even here the trace of indeed all those paintings, are now shared among a handful of excuse Cowie's virtually nonprodigious planists to go ness both here and in the D lately groomed interpretative existent reputation in the through their paces; to Mr flat Nocturne, Op 63, that facade, what a planist he will southern kingdom.

Collard's superfine touch the amounted to a want of percepbel

Place rewarded both intimacy tion. Debussy's Suite berga
MAX LOPPERT Liverpool owns one of the most

MAX LOPPERT Liverpool owns one of the most quiet, are presented to us with rukh Dhondhy, how to go about freed that she leaps forward 215 atomic explosion at the end.

haunting of the Bellshill com- an almost fevered clarity, and positions, and that is about it. The Tate has nothing at all, and much regrets it.

But for a year past the Scot-tish Arts Council has been touring a choice exhibition of James Cowie: The Artist at Work, which brings together much of the Bellshill material, and the later work besides. It has come to London at last, to the Fine Art Society (until February 19), to open our eyes.

Just how important to Cowie were the primary disciplines of drawing and composition, organisation and redisposition is made very clear. He drew beautifully in the classical mode, for information and decision rather than effect, for study rather than expression. But of course these things are infinitely expressive, for discipline and restraint can never lock out the personal touch.

These fragments of pre-occupation, bits of pictures, a hand, a head, half a school-girl in her gym-slip intent upon the empty silhouette of her reading friend, lead us severally to the paintings they serve. There they stand almost severe in their realism, closely ordered, the figure frozen into timeless attitude, for all the circumstantial detail of style and

But there is rather more to these paintings than mere pious genufiection to the masters and pastiche; which brings us back to our earlier point. Cowie was no throw-back, but of his own time, and in the 1930s particularly, rather more so than we had supposed. His than we had supposed. His exact and meticulous vision carries yet, and perhaps at first dynamics and tempos, carried a prescriptions for the inner pose ever so slightly between lucky public collections, almost in spite of himself, something magical fascination of its own variations. Beneath Mr Collard's music and andience. When Mr all of them Scottish; which more ambiguous and suggestive, This half can sometimes seem fastidious touch there was dis-Collard learns to rely less on helps to explain, if not exactly a positive metaphysical charge that is not all that far removed from conscious, and of course contemporary, Surrealism. His schoolgirls, so still and

creatively sophisticated, but it does seem a certain secret flame went out. It may be that he allowed the metaphysical to be-come too conscious and thus too contrived an element, or perhaps he simply lost confidence in himself; whatever it was, he never again took on anything so ambhious la scope, and so natural to his own oblities, as the Belishill paintings.

a pall of imaginstive specu-

lation hangs heavily over them:

what do they see; what do they

hear; what fixes them so? "Heavily hangs the bolly-hock,

Heavily hangs the tiger lify..."
All great art, of whatever kind,

treats upon the essential tran-

sience of experience after all,

and a poignant meiancholy must he its first quality.

to teach in art schools, and his

own work too took rather a

different course. It was never

less than beautifully made and

Cowie left Belishell in 1935

in her interpretation. A tremen-

Monteverdi Choir

is usually enough for a choir to -for Mozart here replaces the tackle in a single concert. But traditional contraits with a and the Monteverdi Choir and Orchestra paired the C. minor Orchestra paired the C minor ginally less agile though, it mass K.427 with the Requiem seemed than Diana Montague; K.626, traversing the twin peaks Buchanan's momentary foresteeness agile though, it mass Buchanan's momentary foresteeness agile though, it may be a seemed to be of Mozart's church music in a lapses of control (suspicions single effort. The pairing is not more than fact) in "Et in insingle effort. The pairing is not at all inant: both works present the musicologist with absorbing problems of authenticity and completeness and in performance the torsos provide a fascinating contrast of mannerdecorative and extrovert in the C minor mass, unadorned and direct in the Requiem.

Mr Eliot Gardiner's achievements with his choir invariably have a clarity of focus and a firm grip on the basic matters of rhythm and phrasing that takes the performances a long way towards success. His account of the Mass on this occasion was hard to fault: the atrings of the Monteverdi Orchestra manage to retain the responsiveness of a small band without losing anything of their refinement; attacks were crisp, intonation—occasional problems with the chamber organ apart unexceptionable. Perhaps in some of the choruses vigour took the place of exuberance, but the performance was graced

One of Mozart's great masses above all hy its soprano soloists second soprano in his solo carnatus" were more than halanced by her heavenly liaison with the woodwind at the close of the same movement Two such stylish sopranos

could not be wasted, and the solo passages in the Requiem were shared between them: Miss Buchanan employed for the Recordere and Benedicite, Miss Montague for Domine Jesu and the final Agnus Dei. The careful matching of voice to utterance was typical of Mr Eliot Gard-iner's concern to keep textures idiomatic throughout the work. Brisk tempi, forthright rather than overpowering brass and a ness right to the end of a long and demanding evening pro-vided a unassertive and determinedly unsacharrine view of the work. The remaining soloists, all extremely accomplished, were Linda Finnie, Laurence Dale and Stafford Dean.

ANDREW CLEMENTS

Covent Garden

My Brother, My Sisters

The scenario of My Brother, dous unfurling of very high ex-My Sisters is exact in its shape, tensions was matched by the; in the chief incidents that mark brooding intensity of her feelits macabre games, but no ings, and in the pursuit of where does Kenneth MacMillan Lesley Collier's second sister, force meaning upon us. We are she displayed a pas de bourrée caught and held by nuances so exquisitely feathery it and inflection, hy intercepted seemed merely to whisper the glances and sudden curdlings of terror she ispired in her victim. horror as the children play. The hallet continues to What we feel or understand at receive superlative performeach performance of this excep-

with the interpreters. On Friday, with Ashley Page least in the variations given to and Briopy Brind newcomers to four of the sisters in the second. the roles of the hrother and the half of the piece, which are as first sister, shifts in the balance of power, in a hallet which character, as the prologue treats of power and domina-tion, were fascinating. Mr Page The evening had begun with danced his choreography with all the supple stretch of line and ease of movement we have come to expect from him, and The feats of bravura associated his interpretation was all the with the two blue girls seemed more intriguing in the lightness—almost charm—with costumes, but David Peden which he showed the boy as ring-master to the games: his Blue Skater, setting out his

control of the action seemed understated, but insidious. Miss Brind was no less happy bumptiousness.

The hallet continues to ances from its cast, who are tional ballet lies very much faced with choreography of sudden: fierce complexity, not least in the variations given to demanding, and as expressive of The evening had begun with Les Potineurs, looking rather, brighter and more relaxed than at its revival earlier this season. made an attractive figure of the

dances with neat, clean skill,

and a welcome absence of any

CLEMENT CRISP

Riverside Studios

Trojans by B. A. Young

The year is 1987. Four black setting up such a government, years to join the others in the revolutionaries and a black or how or with whom he can emplacement and sing to them. emplacement that houses the Button for firing the Bomb-a procedure they have just dialogue with anyone in authdeclined to carry out. Troops surround them, but can do nothing, for Paris, the ring. over problems that harely exist. leader, will shower nuclear disaster on the world if he is

checked. government. The trouble, dramatically as well as politiidea than has the author, Far-

forces. He has communications ority. So most of the evening is spent in very naive argument taking place in the year 1772,

the year when Lord Mansfield, checked.

What be intends is to overthrow all governments and institute what he calls mass

chanteuse occupy a great make contact with the outside As she is Pauline Black, once lead singer of a group called through a massive radio. The Selecters, and is backed telephone, but there is no real by a very good quartet, she provides almost the only pleasure I got from the play, though two inserted scenes of current life, not very relevant, At each end is a short scene gave A chie Pool a chance to show how wistfully comic he could be.

citizens. One such slave is and Judith Jacob. Trevor Laird Cassie, who has prophetic know- is the director, and the designer cally, is that he has no more ledge of the hand-held micro- is Paddy Kamars. The whole idea than has the suthor, Far- phone. She is so completely lot of them are blown up in au

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F.T. CROSSWORD PUZZLE No. 4,786

ACROSS. I Stars fail exam (6) 4 Saw snappy share (5-3)

10 Born expert not affected (7) 11 Timber catching Bond live

before morning (3-4) 12 Article written by Pole after that (4)

13 Europeans squander cheese (6, 4)15 Single politician to expose

damage (6) 16 Ticks inferior goods (7) 20 Way a student conducted made engine stop (7)

21 Time and trouble taken with 14 List of coming attractions of programme (6) 24 Unfit to be unemployed (3, 2, 5)26 Not certain to lose head in

29 Authority to carry on conflict with scold (7)

fever (4)

holder (6)

30 Scotsman fit to he tragedian

1 Hair style at the Nag's Head? Quite the reverse (4, 4) 2 Where it happened then and

there (2, 3, 4)

3 Film. actress loses ring in dress (4) 5 Story-teller keeping the shop

(8) 6 Transparent not to be deceived (3, 7)

7 Chromium fish basket (5)

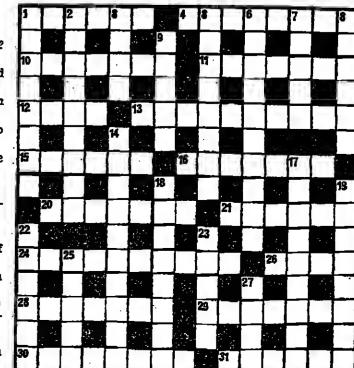
8 Moderate agency girl presented to the Queen (6) 9 Jump right over net (5)

consuming interest (4, 2, 4) 17 Run down to study with single fireplace (9) 18 Bookish source to study (4-4) 28 Battered dish taking a toss 19 Inventor given plain direc-

22 Gun dogs (6)
23 Pull a face at southern hrotherhood (5) 25 Note obtained drink (5) 31 Part of habit of record- 27 Ought artist on left to have

tion twice (8)

spoken? (4)



The solution to last Saturday's prize puzzle will he published with names of winners next Saturday.

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Monday February 1 1982

Fair claim to **EEC** reform

bitter residue—another argument over money. It is a sad repeat of the early months of 1980, with the UK driven to use its veto over agricultural price rises to cudgel promises of compensation out of a Community to which it feels it pays too much. The supposedly related -reform of the Common Agricultural Pobcy and the development of other Community policies—are evaporating out of the Commission's grasp.

Agreement

With the best European will, it is hard to argue that the UK has no case when it demands another four or five years of compensation for a net contri-bution to the EEC which will run at between ECU 1.5bn and ECU 2.2on (£840m-£1.23bn) in 1982. It was consistently argued duriog Britaio's cotry negotiatioos in the early 1970s that the material benefits of Community membership would spread beyond the farming sector and into areas of greater relevance to the UK. It was explicitly stated at that time that the Community would redress any "unacceptable situation" that in services, for instance—the might arise in the matter of upon European programmes. net contributioos.

The agreement of the Community io May 1980 to provide the UK with three years of compensation was an effective admission that the secood of these had occurred where the first bad not. The unacceptable situation has aince persisted because the reforms and new initiatives which were to have corrected it have not materialised. Until they do, the case for compensation stands and the rest of the Community's desire to cut back on that compensation by some arbitrary process of "degressivity" re-mains as illogical as it is under-

standable.

spendthrift and a tight-fisted compensation. way of solving the underlying cause of the British complaint. freer-spending solution would be to boost the nonagricultural element in the EEC's spending, laying out substantially more for regional investing beavily in transport schemes and even finding ways of spending money on industrial projects.

Mounting unemployment may change things, but for the cent on regional policies and to go away.

HOPES, IDEALS and good in-tentions have once again been shift in emphasis would have boiled out of the European to be prodigious to touch debate to leave the familiar and Britain's problem.

This would, in turn, mean breaching the limit of a 1 per value-added tax with ceot value-added tax with which, on top of customs levies the EEC finances itself. This would be necessary at a time wheo the majority of EEC governments bave budgetary crises and when the UK has been driven to the fatalistic conclusion that it is only the VAT limit which will force the Common Agricultural Policy to curb its appetite for funds.

True, the current rate of

Community spending is drawing down VAT at a rate of only about 0.8 per cent. There is thus some ephemeral headroom which might be exploited for spending which would mar-ginally reduce Britain's net contribution. The British do tend to call for their money back and to demand agricultural reform rather than come up with specific proposals for such nonagricultural spending. It is indeed a complication factor that the British Conservative Government advocates an EEC spirit but mistrusts EEC spending and would rather insist upon European principles-free trade in services, for instance—than

A rather more positive attitude towards programmes might marginally improve the UK's image in Europe; Britain is, for example, uniquely well placed to propose a European energy policy. But no-one should be under any illusions that such demonstrations of goodwill will greatly influence the hard-nosed wrangling over money which lies ahead.

It is in the tight-fisted manner that the circle will have to be squared. This means a struggle to contain CAP spending through measures which though extremely unpalatable in France, Belgium and Holland, will initially make only a minimal dent in Britain's net contribution; and a parallel There is in theory both a campaign to extend the UK's

Experience

The important thing is that the emphasis of Britain's pres sure should be applied to CAP reform rather than to compensation. All the signs suggest that and social problems, funding the Commission's good intenresearch and development, tions for, and even progress towards, CAP reform are .row melting away-the watering down of the measures aimed at removing structural milk surpluses is just one example. "Money back" may be a gwicker moment just about everything and easier option for Eritain, militates against this up-beat but, as the experience of the way of redressing the balance. last two years has shown, it In 1980 some 70 per cent of will not cause the waste of re-Community spending went on sources in agriculture, or Bri agriculture, against 2.5 per tain's underlying disadvantage

U.S. ANTI-TRUST POLICY

When big is not bad

By Anatole Kaletsky in Washington

least, is what everyone believes and in the year since be took office a wave of recordbreaking takeover bids has engendered something close to euphoria in boardrooms and on Wall Street.

At last, it seemed, big business would be set free from all the tiresome shackles of the world's most complicated and costly corpus of competition

But some of this euphoria is premature. The dismemberment of American Telephone and Telegraph (AT&T), the world's largest company, earlier this month was quite possibly the most radical exercise in anti-trust enforcement since the Supreme Court ordered the break-up of the original oil and tobacco trusts of Rockefeller and Duke in 1911.

It is, after all, hard to imagine such an immense act of iodustrial reorganisation, albeit the result of an agreement between the company and the Department, being Juatice carried out on competition policy grounds in any other country.

There is thus enormous interest, both in the United Statea and elsewhere, in the emerging anti-trust philosophy of the Ad-ministration. And it is already clear that even under President Reagao anti-trust enforcement is far from dead.

Mr William Baxter, Assistant Attorney General in charge of the Justice Department's Anti-Trust division, has actually been making this clear all along. Last year, for example, he promised to "litigate the AT&T case to the eyebalis." And be says without besitation that he would have brought the AT&T case if be bad been in his present position in 1975.

Populist hostility to company size

Mr Baxter refuses to criticise his predecessors for starting the IB.! case, which was dropped on the same day as the AT&T case was settled. However, he adds, "It is bard to put yourself bebind the veil of ignorance' existed before the case began, about IBM's activities which

"In general," he says, "I have no difficulty with the idea of prosecuting criminal monopolisation cases (such at AT&T and IBM). But I don't think it should be used to harass large and successful companies in response to populist bostility to company size.

What the Reagan Administration has done is to rein back some aspects of anti-trust enforcement after what is seen as a period of excessive zeal, io which the Justice Depart-meot and the Federal Trade Commission (FTC) (which shares responsibility for antitrust enforcement with the Just'ce Department) attemoted precedents against conglomerate marrors, of gravities and "shared memory "es" (arrors of comparies setting masses sciously in collusion to restrict

competition). The FTC bas dropoed major shared monopoly cases which

ONALD REAGAN likes were being prepared against oil big business. That, at companies, car manufacturers and cereal manufacturers. However, as if to emphasise that even this aspect of anti-trust is still alive, the FTC is continuing energetically to prosecute a smaller shared monopoly case. against ethyl manufacturers, including Ethyl Corporation and Du Pont. In addition the FTC is busy investigating co-operative arrangements between groups such as doctors, lawyers, trade unions and farming cooperatives to see if there are any aspects of these arrangements that could be subjected to anti-trust law.

However, the most visible and controversial part of antitrust enforcement is the supersion of mergers. Much has been made of the new Administration's more relaxed attitude to mergers which do not involve direct competitors. But in fact previous Administrations rarely succeeded in blocking conglomerate or "vertical" mergers even if they attempted at times Mr Baxter insists that the

effect of the new approach "mustn't be judged simply by the difference in the number of successful cases being brought against mergers under the two Administrations. There is a tuned-in private bar out there and they know what the Justice Department is thinking and planning. They will often deter companies from even attempting to merge because of the risk of enormous legal costs and delays. I can say this from personal experience."

He pours scorn on the attempts to develop legal theories under which conglomerate mergers would be seen anti-competitive: baked theories such as the deep pocket effect (which predicted that a company which was acquired by a large conglo-merate ln a different market would use its new parent's financial resources to eliminate competition) and potential com-petition (under which a merger would be blocked on the grounds that the acquiring company, although not at present a competitor in the market in question might bave plans to enter it), these were all cures for which there is no known ailment, Mr Baxter says.

The rejection of these theories against conglomerate mergers is of particular significance for foreign companies planning takeovers in the U.S. since potential competition and "entrenchment" bave been the main arguments used against Industries is being challenged foreign companies which do not by the FTC for its \$280m takeat present compete in the U.S. over of Appleton Paper in 1978. market, attempting to acquire a footbold by acquisition. In fact a number of large foreign takeovers bave been passed by the Justice Department and the FTC with little or no objection in the past year.

Daimler Benz bas been allowed to acquire Freightliner, Sohio (which is controlled by British Petroleum) bas acquired Kennecott and Consolidated Goidfields has been allowed to acquire up to 50 per cent of Newmont Mining. The takeovers of Texas Gulf by Elf Aquitaine and Santa Fe InterMr William Baxter: aiming to reduce the mystery area of merger enforcement with new guidelines

national by the Kuwaiti Gov- manufacturer of nuclear diagernment were subjected to nostic imaging equipment special scrutiny because of the Again Siemens, which manufactures and distributes similar ernment were subjected to governments, but they, too, bave gone ahead without antitrust objections.

equipment outside the U.S. is claimed to have been one of a small number of potential However, even in the area of potential competition the re-laxation in policy should not be exaggerated. Mr Baxter saya that he fully accepts the idea of sales. The Justice Departthat potential competition may ment failed to obtain an injuncbe a sound reason for blocking tion to block the takeover in a merger in exceptional circum-March, 1980, but is still attempt-

The Administration has reined back some aspects of anti-trust enforcement after what is seen as a period of excessive zeal

by the acquiring company to enter the market independently of the merger can be establisbed.

Indeed, the Justice Department and FIC are continuing litigation which was begun under the previous administration on these grounds. BAT Appleton is the largest producer of carbonless copying paper in the U.S. The market is highly concentrated, with four firms controlling 96 per cent and the FTC alleges that BAT, which is a large producer of this product outside the U.S., was an "actual potential en-trant" to this market before it acquired Appleton. Administrative bearings on this case begin this month.

In another similar case, the Justice Department is attacking Siemens' takeover of Searle

Men & Matters

stances where a clear intention ing to have the merger However, potential competition had always been bard to

establish in the courts. In the biggest recent case, the FTC eventually lost its complaint against BOC International. wblcb took over Airco in 1977 and it has been accepted in both the present and the previous administrations that few foreign takeovers could be blocked on In the Baxter anti-trust division. as in that of his predeces-sors, it is "horizontal" mergers, involving companies directly

competing in the same markets that are mainly suspect. And there is no evidence yet that the traditionally very strong opposi-tioo to oure horizootal mergers has been very much relaxed in deciding whether to oppose a merger. But Mr Baxter stresses that

Diagnostics Inc., a leading which have nothing to do with

keeping large companies in concentrated markets from combining, and in preventing collusion. the anti-trust laws make good

In the Baxter anti-trust division, as in that of his predeces-sors, most "borizontal" mergers, involving companies in the same markets are still suspect. In deciding whether to oppose a merger he seeks to define the market as precisely as possible, both geographically and in terms of its relationship with markets in other goods. For example, the Justice:

Department may decide that "the market in pencils should not be considered in isolation from the market in ballpoint pens, since they are close sub-stitutes for one another and there may not be large barriers preventing a company moving from one to the other if lack of competition begins to drive prices up.

He then decides whether the market is sufficiently concentrated to worry about an increase in concentration and finally whether the merger in question would constitute such "significant" increase.

The guidelines which exist at present on the last two questions were drawn up in 1968 and are remarkably restrictive. They imply that any merger creating a market share of over 6 per cent could be considered anti-competitive In fact, according to Mr John Shenefield, who was Assistant Attorney General and later Associate Attorney General in the Carter Administration, mergers resulting in a concentration of less than 10 per cent have rarely been challenged since the early 1970s. However, while Mr Baxter has promised to publish new

guidelines to the present practice of his division, "in order to reduce the mystery area of merger enforcement to some minimal boundary and allow companies to go about their normal business, including their merger business, with as much confidence as possible, his new guidelines may prove disappointing to advocates of a completely laissez faire approach. He suggests, for example, that in a market where there

are only six or less companies of roughly equal size, a merger could be significant. Indeed, Mr would have created a company

time that the merger may have deep and pervasive dread of been blocked on political monopoly could such a comit had allowed the Schlitz- past few years.

the populist hostility to large Heileman merger to 30 companies in themselves. In chailenged."

The Justice Departs shares responsibility for a trust enforcement with Federal Trade Commission and the views of the two agenc do not always exactly orincide. In the past the FTC has tended to try harder than the Justice Department to establish new precedents. Now at appears that under Mr Thomas Campbell a brilliant 29-year-old lawyer with an economics doctorete from Chicago, the Competition Bureau may seek to adopt a more laissez faire approach than the Justice Department, at least to horizon. tal merger cases.

Mr Compbell was criticised in some quarters for being unduly helpful to Mobil in its efforts to overcome the artistoss obstacles against its bid for Marathon Oil.

He insists that all his turcan's actions must pass economic as well as legal rests. He is inclined to trust markets and will not onterwene in general unless I am convinced th kets won't work." In the c of a merger such as Mobile Maration this involved applying "a more sophisticated level of economic analysis than used in anti-trust enforcement hereto

The FTC would have agreed to the merger if undertakings were made to sell off parts of the overlapping assets. In the event, Mobil's bid was thwerted by U.S. Steel.

In other cases, Mr Campbell suggests honorous mergers may even increase competition. by enabling two small firms to combine and challenge another company which is dominating a

The boundaries of merger activity

The Justice Department's more cautious, attitude to this theory and to the whole business of trying to make ecocomics and law too him ately was expressed by Mr. Baxter like this. "I believe that mergers generally are efficiency-enhancing. This economic fact is taken into account in setting the boundaries of merger activity. But once you've crossed these boundaries, you're in an area where statistical generalisation suggests that Baxter's actions confirm that competition problems arise. I horizontal mergers will con-don't think you can run a legal time to be difficult under the system by vesting too many sub-Reagan Administration. Last jective judgments in the en-October his department chal- forcement agencies. It's like a jective judgments in the enlenged and deterred a merger bank robber who says that he between the Schlitz and Heile could put the money to better: man brewing companies which use than the bank. I'm sure there have been cases in his with a combined market share tory where this is true, but you of only 16 per cent in the U.S. cannot build a legal system as a whole. Only in the U.S. with its Although there was talk at the

grounds (the owner of one of parison between monopolisation the other major brewing com- and bank robbery seriously be panies, Mr Joseph Coors, was a made. In such a society neglect close associate of president of anti-trust enforcement Reagan, Mr Shenefield, like wher would be politically impossible. would be politically impossible. artitrust lawyers now outside So in the end the policies of the the Justice Department, believes Reagan Administration may not there are also "perfectly sound that "the antitrust division differ very much in their prac-doctrines in U.S. anti-trust laws would have lost all credibility if tical effects from those of the

The right time for Ulster

MR JAMES PRIOR, the Secre- anything difficult-and Northern tary of State for Northern Ireland is very difficult-is Ireland, is right; the time for now, before more mundane cona new political initiative on siderations of whether the Ulster is imminent.

why. For a start, direct rule, to contain the level of violence over the past few years, is ultimately politically sterile. It does no more than that. It subdues the violence, but it offers nothing to look forward to in what is a very portal

Prejudice

Hopes that within a generation or so the communities in Ulster may come peacefully together of their own accord are only hopes. In any case, it would be a long we in which to wait and see; the communities might equally move even further apart. The fact is that there is a degree of religious prejudice in Northern Ireland which is unique in democracies. western Government has the responsibility to do something about it. That means giving a

Mr Prior is the right man to do it. He may have gone to Stormont reluctantly, but he is a much bigger figure—and has a much better team-than any previous Secretary of State there since Mr William Whitelaw in the early 1970s.

Principles

The timing is also right from the point of view of the British Government. In all normal circumstances, Mrs Thatcher's administration has about two years to run. The time to do have the strength to do that?

Conservatives will win the next There are several reasons general election take over.

We can discuss the details when Mr Prior makes known his proposals in the next few weeks. But the details are not all that important. What matter most are the principles.

Three stand out. The first is that the Government must be seen to be doing something to give the people of Northern Ireland more of a direct say in the running of their own politic cal affairs. An elected assembly, with powers to co-opt outside members, could certainly do that.

The second is that there mus be some built-in constitutional guarantees to protect the minority community. It should not be beyond the wit of man to devise appropriate safeguards, whether through committee systems, proportional representation or any such mixime.

The third and in many ways overniding principle is that the British Government must mean business. It cannot be another case of a political initiative failing to get beyond the drawing board because of the opposition of some Northern Irish politicians. To avoid that will require the full and sustained support of the Prime Minister. It will also mean standing up to such political figures as the Rev Ian Paisley and Mr Enoch Powell. Surely the present Govern-ment and the Conservative Party

"He designed it like a bird in the hope the Government would make it a protected

The Treasury boxes clever

Treasury Ministers and officials. never too keen on power-sharing, have always been loth to leave too much manipulation of the money markets and fiddling with foreign exchange rates to their better-heeled counterparts at the Bank of England.

Now Whitehall bas a chance to keep a closer eye on what they are up to in Threadneedle Street. As part of a move to allow closer scrutiny of the minute-by-minute fluctuations of currencies and interest rates. the Treasury has plugged itself into the Reuters video-screen information system.

A couple of malevolent-looking TV screens now sit blinking out currency rates and electronic news flashes in the Treasury Press office and home finance division. During the summer, as one official delightedly told me, the

system will even provide them of trust after an 11-month trial. with the Test Match scores. But the main object ia to provide for better co-ordination between the Treasury and the Bank in delicate dealing operations such as the inch-by-inch reduction of money market interest rates at the end of last Treasury technicians who

keep a watch over such matters bave pleaded for the computerised aids for the past 18 months. The cost has not yet been disclosed but, anxious to dispel any notion that this leap into the electronic age will be an extravagant burden on the public-sector borrowing requirement, the Treasury is keen to point out that it is still a laggard in the video-screen stakes. The men in Threadneedle Street - like the rest of the City - bave long accepted the Orwellian boxes as part of the office furniture.

Top circles

Max Grundig is a very dynamic man," says Kurt Hackel, the sixth chief executive in seven years to be pushed off the management of West Germany's largest consumer electronics company. Some men are still young

at 73," Hackel says of his former employer. "His decision now is that be will lead the company himself - and as the owner it is his right to do But while Hackel takes a

holiday and waits for job offers that will surely come from other parts of German industry. as they did for his fallen preors, Gruodig will not be left entirely without help. He recently hired as personal financial adviser Ludwig Poul-

lain, one-time bead of the West-

deutsche Landesbank who was

cleared in November of charges

of corruption, fraud and breach

while they do so to the subtle inflections used by a master craftsman to get the same message across.

Poullain is expected to take seat on the supervisory board of Grundig and to join the trustees of the Grundig Foundation, the body through which Max ensures his "unrestricted role as owner."

To give himself more time for running the daily business. Grundig has also brought in as chairman of the supervisory board, Berthold Beitz, who holda the equivalent post at

Word perfect Sir Anthony Burney's stint as

chairman of leisure group Brent Walker has apparently stimulated an interest information technology. Not only is he to become

chairman of a new management

buy-out group from the Hi-fated Nexos computer services arm of the NEB-Urwick Nexos, a consultancy and training company -but he is also busily promoting a little gadget of his own. Burney has bought the rights to a German invention which enables you to read the words of a typed page and hear them read at the same time by

the author or some other

Labour Party into more tradimaster's voice. All done through a £20 black box and a series of 20p transparent square records placed over the pages, it has obvious literary uses. But Burney has in mind more mundane commercial applications like training selesmen in their patter by reading the words and listening

Commons cause Tory MP Julian Critchley is having a hard time persuading

the Commons to fill one of the

two empty plinths in the Mem-bers' Lobby with a statue of that unexpected Prime Minister" of the inter-war years, Stanley

After two weeks of canvassing Critchley bas only got 79 MPs to back his proposal—and they include only three Labour MPs, ooe Social Democrat and a solitary Liberal, Jo Grimond. Before Leader of the House

Francis Pym can be pushed into taking a vote on the issue, Critchley reckons be needs at least 150 Tory signatures to his motion and perbaps half as many again from the Opposition Fourteen Labour MPs led by

Willie Hamilton, bowever, have flatly declared that no memorial is needed to Baldwin's "bostility . . . to the aspirations of working people, his responsi-bility for mass unemplyoment unequalled until today . . . and bis record of appeaesment of Nazism.

An unfair reading of history, Critchley claims—having been motivated himself by reading a collection of Baldwin's speec poblished in one of the first Peoguins. Baldwin's claim to a Commons memorial, he says, rests on the

tional paths, defeating the 1925 Geoeral Strike, and "seeing off" Mrs Simpson But Critchley confesses to some concern about a lingering antipathy on the Tory benches — "though the wets, in general, are in favour," he

way be safeguarded the consti-

tution, turning a revolutionary

Ted Heath, in particular, has joioed Sir Harold Wilson and James Callaghan in supporting the proposal. "Bot they would wouldn't they? " say the cynics. Some day presumably someone will be suggesting suitable niches be found for their busts.

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FOREIGN AFFAIRS

It is not enough to be 'tough'

By Ian Davidson

ONE OF the most depressing features of the Polish crisis is that it has played right into the hands of the far right in the U.S. The result is that President Reagen is finding blasself under pressure to adopt foreign policy stances which are immunistent, counterproductive or even down-right silly, and which are almost bound to aggravate the tensions between America and its western European allies.
The inconsistency derives

from the struggle between what one might call the unilateralists one might call the unitateranss and the Atlanticists. The unitateralists believe that America's only foreign policy priority is to he tough with the Russians, and that if necessary America must be prepared to act alone in the pursuit of this objective. The Atlanticists believe that the world is a lot more complicated than that, and that a very eigh, if not overriding, priority is to act in concert with the European allies. In this struggle the unitateralists have been epitomised by Mr Caspar Weinberger, the Defence Secretary, and Mr Richard Alien, un-til recently the National Security Adviser at the White House, while the Atlanticists have been represented, by Gen. Alexander Haig, the Secretary of

During much of last year thia struggle manifested itself in illdisguised had temper between the opposing camps, and by oscillations of policy which seemed only to reminiscent of the Carter years. But by last autumn it started to look as though General Haig might be

winning the war.
That was certainly what top
State Department officials were claiming, with nods and winks, after President Reagan's speech in November, in which he offered arms control negotiations with the Soviet Union on both totermediate-range and strategic nuclear weapons. And that's what it certainly loooked like when Richard Allen fortuitously lost his White House joh, and was replaced by William Clark, until that moment Haig's deputy down at Foggy Bottom.

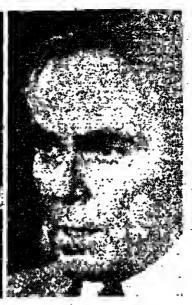
Haig's apparent victory

seemed to be clinched in a rather dramatic way after the Reagan-Schmidt talks at the heginning of last month. After the meeting, General Haig did. the meeting, General Haig did cause it impries either that are not merely confirm that the arms control agreements are not merely confirm that the arms control agreements are U.S. Soviet negotiations on in unfavourable to the U.S.— Even as Mr Joseph Kraft was of course, not easy; perhaps The traums of the crackdown outside what type of termediate range nuclear weathern was be not all that different the many discontinuity and reform may also require a mean reform, but most recent pronouncements is, significant period of mertial law. West cannot determined and reform may also require a mean reform, but most recent pronouncements is, significant period of mertial law. West cannot determined and reform may also require a mean reform, but most recent pronouncements is, significant period of mertial law. West cannot determine the arms control agreements are the most recent pronouncements is, significant period of mertial law. West cannot determine the arms control agreements are the most recent pronouncements is, significant period of mertial law. West cannot determine the against and reform may also require a mean reform, but most recent pronouncements is, significant period of mertial law. West cannot determine the against and reform may also require a mean reform, but most recent pronouncements is, significant period of mertial law. West cannot determine the against and reform may also require a mean reform, but most recent pronouncements is, significant period of mertial law.









JARUZELSKI: a comundrum; GROMYKO: electric; REAGAN: pressured; HAIG: Atlanticist

down in Poland; he also con-firmed that his meeting with Andrei Gromyko, his Soviet counterpart, would go ahead and he even held out the possibility of a summit between Reagan and Brezhnev. Control of nuclear weapons, he said, would be in the interests of the West as well as the East and should therefore be placed in a special category outside the normal run of East-West relations; while top-level communi-cations hetween the two super-powers was more, rather than less, important at a time

It is hard to know whether Reagan and Haig adopted this tine out of profound conviction of its wisdom, or because this was the only way they could get Helmut Schmidt to line up with them in blaming the Soviet Umon for the clampdown in Poland. But either way, the position as enunciated by Haig was an almost unequivocal rejection of one of the most noxious legacies of Dr Henry Kissinger, the concept of "linkage," according to which arms control negotiations should only he conceded to the Russians if they behave properly in other

. The concept is noxions be cause it implies either that all

ferent from what the far right in America believes right now Angeles Times, it was being rebuked by Kissinger, and tryor else that, by behaving nicely in other ways, the RusKissinger in those of the New pressures by substituting talk on schedule, despite the crack- in America believes right now sians can persuade Washington to negotiate a weapons treaty which gives them a palpable advantage.

In these terms the concept is nonsensical. Where linkage rejoins reality is in the impact general patterns of Soviet behaviour on public opinion in America. The Soviet invasion of Afghanistan did not prove that the second Strategic Arms Limitation Treaty (SALT II) was a bad treaty hut it did scupper it in the U.S. Congress.

Admittedly there have been setbacks to the advance of the Atlanticista: in a knee-jerk reaction to the military crackdown in Poland in December, President Reagan announced unilateral sanctions whose central measure—the ban on hightechnology equipment relevant to the planned Soviet gas pipeline—seemed designed to punish the European allies as much as the Russians. But this looked like a tiresome hlip on a graph which was generally pointing in another direction. and by last week leading American columnists were confidently proclaiming that General Haig had won and was finally in. This is disturbing, and in charge of American foreign rational terms puzzling. Making

York Times, in which he fulminated against the Administration for its feeble dithering in the face of Soviet misdeeds in Poland. A new and unlikely available to General Jaruzelski. champion of the far right had

The State Department im-mediately reduced the Haig-Gromyko sesaion from two days to one and announced that the off the view of the Catholic purpose of the meeting would church in Poland that the now be to protest at the Soviet country had been in a potential role in Poland, and not (as had state of civil war. Even if that previously heen thought) to talk about the opening of negotiations on the control of

strategic nuclear weapons.
Since that meeting, President Reagan has twice spoken of the possibility of further sanctions, including (for the first time) a curb on American grain sales to the Soviet Union, if the Polish situation should continue to deteriorate. In other words, after a painful time-lag. in which the Europeans struggled reinctantly to match the unilateralism of the first wave of U.S. sanctions, Reagao is being goaded by the far right to threaten another unilateral

for action. But perhaps he really is on the verge of new sanctions, and that implies that he assumes some quick fix is By now it has become

irrelevant to debate whether General Jaruzelski was justified in imposing martial law—though it is difficult to shrug was an over-statement, or ao attempt by the church to cosy up to the martial law authorities, it is nevertheless clear that Poland is an arena of extremely complex political antagonisms. The .conundrum facing Jaruzelski is how to make the transition back to a more civilian method of government, in such a way as to minimise the risks of resentment turning into an explosion.

It may be that there is only one quick fix open to Jaruzelski now — a decision not to seek aoy compromise with the workforce, and to back up the existiog apporat of state and party with a permaoent regime of great repression. On the other hand, a strategy of conciliation itself. Sooner or later that must sense of President Reagan's and reform may also require a mean reform, but we in the most recent pronouncements is, significant period of marrial law. West cannot determine from The trauma of the crackdown outside what type or degree of

most far-reaching political ambitions of rank-and-file members of Solidarity. But it may also have made it harder as it can only have revived the hopes of those in the state and party machines who are responsible for the state of Poland today and who have resisted reform for the past 18 months.

this easier if it has broken the

To the hard-liners on the other side of the Atlantic, the Polish crisis has been taken as proof that the Soviet Union iajust as wicked as they always said it was, that detente was a lotal failure, and that the west Europeans are craven self-seeking traders: All of these propositions are absurd.

Detente and the development of East-West trade have in fact worked extremely well for the West; not, of course, in the way expected by utopians like Willy Brandt, but nevertheless ex-tremely well. The Helsinki agreement played a significant part in providing Solidarity with a legal basis for its revolution, and it continues to provide a legal basis for western support for reforms. The Russians, the Poles and the Romanians are now slowly turning in the wind in a noose woven out of their economic, profligacy and incompetence and their uncontrollable dependence on western goods and western finance. This dependence in turn creates the sprongest internal pressure for

reform in eastern Europe. For the past six weeks, the American right has been enjoying an emotional orgy. They (and we) will be in a much more embarrassing position if martial law is eased or lifted, because we shall start having debates about how much reform, and at what pace, is "acceptable." The only reliable criterion - and I apologise if this sounds crude - will he a commercial test.

The West is right to withold trade credits and the re-scheduling of dehts, not as a punishment, but because a Poland in a state of profound political conflict is a much worse risk than a Poland which is within limits, at peace with

Lombard

Market view of next election

By Samuel Brittan

THE MARKET'S assessment of broke's 11 to eight against it.

clearly and obviously in error placed. about a currency or a security, there would be very great gains or aales until the error is eliminated. Those who diverge from the market price in one direction are no more likely to second and who third. be right than those who diverge in another; and a group of people who have outperformed the market in the past cannot be relied on to do so in the

future. These rough generalisations People voting anonymously with their pocket book are less likely to be wrong than pundits deal-

ing in paper predictions.

Where is then the political market? It is not to be found in the opinion polls, which are an immediate snapshot, which take little account of differential abstentions, the vagaries of the voting system or opinion changes between now and poll-

People are, however, putting their money where their moutha are when they place bets on election results. They do so in the full knowledge of the opinion polls-to which they add their own guesses about hetween the Alliance and one future events and their effects of the other parties. The more on voters. They act anonyextreme lunacies of the voting mously and stand to lose finan-system could just possibly give cially if they are wrong. Wishful thinking is, therefore, likely

to be minimised.

Bookmakers have already started to take bets on the next election. As that event may be over two years away, the betting is limited, markets are thin and bookmakers' own views have who would like to make their an influence. But quotations are available on the party with the largest number of seats in Parliament—which may not be an absolute majority.

the prospect for a company, a Second come the Conservatives currency or a fixed interest with Ladbroke's offering six to stock is highly fallible. Cur- four against, and William Hill rency and security movements two to one against. Labour are always taking the market trails with Ladhroke offering by surprise. All that one can nine to four against and say of an indicator such as a William Hill five to two against. forward exchange rate is that The surprise is that the Conalthough it is certainly wrong, it servatives (who have recovered is the least had guide available. a little in the past few weeks) For if the market were are not more unfavourably

Strictly speaking, that is all one can aay. For the punters to he obtained from purchases are expressing no view on the number of seats the leading party will obtain. Nor do they have to say who will come

If, nevertheless, we average the odds of the two bookmakers, scale down for their "turn" and leave aside 5 per cent for Nationalists, Ulster Unionists and others, we arrive at the following resulta. The Alliance apply to the political as well as bas nearly 38 per cent, the Con-the economic market-place. servatives just under 32 per cent and Labour over 25 per

It is not clear whether to interpret the percentages as seats or votes. The hetting is on seats. But if one places bet on, for instance, the Alliance, no opinion is being expressed on the relative showing of Labour and the Conservatives. Under the voting system to which Mrs Thatcher is so attached, the Conservatives than Labour yet have far fewer seats.

The most likely outcome on the present odds is a coalition informal understanding Mr Foot an absolute majority or commanding position with fewer votes than last time. But leaving aside this freak result, the Conservatives will both have to woo the Alliance, and the influence of Labour "moderates" peace with the SDP will be strengthened. Indeed, the political prospect has now become so interesting that Mr James Callaghan, who does not despair The SDP-Liberal Alliance is of Labour and the SDP finding favoured, with William common ground, is likely to Hill offering evens and Lad- stand again at the next election.

Letters to the Editor

The importance of design in British industry

From Mr Peter Gorb important article on Design (January 25) identifies the key issue which inhibits a fast and effective solution to the prob-lems he poses. It is the lack of performance in either the short understanding amongst man or long term, without making agers about what design is and space for design in the hand, how they can use it.

They can scarcely be hlamed

for this. Design is cluttered with associative qualities like style, aesthetics, creativity, external appearance and so forth; all valuable qualities, hut none of them necessarily central to

In a manufacturing business, this means the plans for the products; which are, or should be the direct concern of the managers. It also means for both manufacturing and service businesses, the plans for the environments (buildings, tools, distribution networks and so forth) through which the pur-poses of the enterprise are achieved, and the plans for the visual information systems through which those purposes are communicated, covering everything from management

P

105

information, to advertising. Once this central pervasive role is understood and appreciated, managers are usually pre-pared to make space for the designerly skills, and even to practice them themselves, These skills are firstly a high degree of visual literacy and secondly which will help to ensure and more fundamentally, a problem based way of working and thinking. Both of these skills DIA's proposals would involve

Taxation without

Sir.—We see that Mr Hesel-tine, like all his predecessors,

has failed to grasp the very thorny problem of rates and the

gross inequalities of the present system. Also it is

apparent that he has, to all

intents and purposes, ignored the very sound advice

presented to him by the Asso-

ciation of Independent Busi-

and many

It may be well to point out

some of the anomalies of the

present rating system. Why should a small company pay

more for its working space than a large company? Why

should a single wage earner in

a house pay the same rates as

an equal bouse with four wage

earners? Why should industrial

premises be rated and farms

be free of rates? Why should

domestic ratepayers be the

knowiedgeable groups.

representation

From Mr A. Potter

heart and hands of today's man-

Peter Goro. London Business School

Sussex Place, NWL

From Sir Monty Finniston

deserve in the education of our ciating the relationship of pertise on the subject of designneeded to effect the changes needed. But these changes are

A contribution to that task Service would be part. has been going on at the London Business School for the past six years with some success and growing interest abroad, particularly in the U.S. where no the design function.

At heart design is simply a Business Schools. What is now planning process for artefacts. contemplated is a reinforcement and extension of the existing teaching to many more British managers. But that is dependent on funds being available to make

Sir,-James Pilditch, quoted

hy Christopher Lorenz in his article on Monday is quite right.
"The only worthwhile judge (of design) is the consumer."

After more than 60 years of

campaigning for better design (and with responsibility, according to a spokesman for the Board of Trade, for the setting up of the Design Council) the Design and Industries Association is planning to launch a subscription service for schools greater discrimination among consumers of the future. The receive less attention than they young people not only in appre-

councillors when they contri-

bute less than 10 per cent of

It is time that the present

rating system was replaced by

local income tax. It is also time

councillors stopped trying to

be high-flying industrialists and refrained from using rate-

payers' money for industrial purposes. The results demon-

strated so far indicate that they

are very incompetent at

money. I would suggest they

would not last three months in

The private sector of industry

is fed-up to the back teeth, with

having to support overspending

councils and protecting the jobs

of the public sector. The con-tinuing support of these areas

inevitably results in redundancies and in the closure of

companies. It is time for com-

mon sense and not politics to

prevail, the present system of Taxation without Representa-

tion" must be changed. Now!

a similar job in industry.

administering

A. Potter,

only sector allowed so elect Member, Regional Council

ratepayers'

the total rates collected?

rom Mr Peter Goro

Sir — Christopher Lorenz's children and as Lorenz rightly design, technology and engineering for production.

mportant article on Design points out a social revolution is ing to society's development Was there a representative famuary 25) identifies the key needed to effect the changes hoth past and in the future, but from Salford University for also intends to give them practice in making buying decisions, e.g., on furnishing, without actually spending money. Funds are now being accumulated for an extension of the Association's work, of which the Schools

One other aspect of our activities which might be worth noting is a seminar in conjunction with the Institute of Marketing in Sussex Place on March 30. The title is "Where have all the Entrepreneurs and speakers will explore the relationship of design to British commercial

There is a great deal to be done to encourage industry to consider the virtues of good design; and it is important for those already convinced to support the Design Council and the recommendations of Sir Kenneth Corfield'a report with their enthusiasm.

Monty Finniston President, Design and Industries Association, 17, Laton Crescent, Kew Gardens, Surrey.

From the Editor,

Design Engineering. Sir,-I am not sure exactly who attended Mrs Thatcher's scirce last Monday, but from the names mentioned in Chris Lorenz's excellent feature: Conran. Bayley, Jenkin, Carter and Pilditch, etc., there may well have been dearth of ex-

Association of Independent

T.G.M. Gauge Maintenance.

Neither a borrower

From Mr S. A. Thompson.

Sir - Good for Miss Louise

might not make her popular

pondence on credit cards, it was

lenders who levied extortionate

rates of interest but now it

is encouraged by institutions,

which not so many years ago

were considered above reproach.

wage demands within what the

How can we hope to keep

nor a lender be

Station Road

Birmingham.

Coleshill

Bloch

example? He may well have been able to help explain some of the intricacies of turning breadboard prototypes into viable hardware. But perhaps he's been made redundant!

If Mrs Thatcher is worried about finance, does she know about the Smallpiece Design for Production Centres financed hy a trust fund set np by Cosby Smallpiece, a successful industrialist who knew exactly where the weakness was in the British innovative process and who died in 1977 completely unrecognised for his vision and wisdom, not to say his generosity.

Christopher Lorenz wrote that international competitivenesa was the missing link in British design, he may know that Cosby Smallpiece set up Martonair International in 1945 and that company is now the leading pneumatics technology company in Europe if not the world's!

How many of Mrs Thatcher's expert guests could match that performance?

It was also interesting to note that one of the world shattering suggestions made, according to christopher Lorenz, was to widen the Design Council's advisory service. This journal, among others, has been saying that for years!

Perhaps the main prohlem confronting British design is the noble British art of lip service? C. Robbie Robinson 30, Calderwood Street, SE18.

spend what they cannot afford. Please no one write and cite the case of home loans—that is entirely different, a capital S. A. Thompson, Lower Newlands,

Viking swords stay in Denmark

Teynham, Kent.

(letter January 20) it Danish correspondent that he with all her contemporaries but to me, who started this corresfollows the example of his Viking ancestors who transported their swords in vessels of a different shape. Once it was almost a crime to get involved with money-

A cardboard cube, with each side measuring only three-quarters of a metre, will contain his 1.28 metre weaponpacked diagonally. Such package would not excede the one Danish Postal Authority. nation can afford when such J. E. Upton.

From Mr J. E. Upton Sir,-May I suggest to your

metre limit imposed by the

institutions encourage, with 32 Grossenor Gordens blatant advertising, people to Meus North, London SWI.

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PENDING DIVIDENDS

Gill and others lobbied in battle over ACC bid

BY JOHN MOORE

MR JACK GILL, the former Holmes à Court recently took important qualification."

When the commitmen over the chair of ACC from Lord When the commitmen giveo, the letter says. and other key voting share-golders outside the ACC boardroom have been contacted over the weekend by advisers to Heron Corporation in an effort to lobby support for a £46.6m akeover bid by Heron.

25 shareholders, Around f the 35 share-who hold the entire voting ordinary capital of the company bave been sent a letter Barclays Merchant Bank. dvisers to Heron telling them that "the prospect of a higher offer for your company is open ooth to you and the "A" (nonording) ordinary sharebolders."

Mr Gill bolds a crucial 15 per cent voting stake and BPM Holdings, the bolding company of the Birmingbam Post and Mail, bolds another 5 per cent of the voting shares. In all the

given undertakings or commit-ments, representing 63.6 per ent of the voting equity to accept an offer worth £36m from The Bell Group, the Australian company headed by Mr Robert Holmes a Court. Mr

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Société Générale de Banque S.A.

Barclays Bank Group

from the broker to the issue:

SOCIETE GÉNÉRALE DE BANQUE S.A.

1982 from the brokers to the issue:

February 1, 1982

account of the extensive legal proceedings between Heron and

sbarebolders, Barclays says that in the legal proceedings "certain undertakings have been given to Mr Holmes à Court on behalf the court on behalf of ACC of Bell would feel obliged to and the directors. "The undertakings require that certain arrangements with the Independent Broadcasting Authority.

Such a course was not in convenient the pendent by the proposed offers. uoon which the proposed offers hy Be!! are dependent, be not implemented unless they are approved by ordinary sbare-holders at an extraordinary meeting of your

The banks adds: "notwith-standing the commitments which your directors have given to Bell, the Bell proposals are therefore themselves subject to the outcome of the extraordinary general meeting. The rejection of of the voting sbares.

Barclays bad not written to the directors of ACC, who bave given undertakings or commitments.

ings "which confirms that the commitments given by certain of your directors to accept the proposed offers by Bell are

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When the commitments were giveo, the letter says. "it was count of the extensive legal explained to the relevant directoreceoings between Heron and tors that should a clearly office.

To its letter to the voting be made and if the relevant directors asked to be released from their commitments, then Mr Holmes à Court on behalf

> flict with the requirements of the Independent Broadcasting Authority or the City Code on Takeovers and Mergers;

This course of action was supported by the company's financial advisers, and it clearly represented what he considered to be his commercial

responsibility, that is what could

he described as the proper way to act in all circumstances." The letter concludes that "although emphasising that he would not agree to be contractually bound to give auch a release, Mr Holmes à Court did part to act in accordance with a high standard of responsibility and to behave in a manner which accords with the bighest

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meatings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends of interims or finals end the subdivisions shown below are beard mainly on last shown below are based mainly on last year's timetable. TODAY

Interime: Hillards, Howard Shutter-ing, R. H. Morley, Regional Properties, FUTURE DATES

Higsons setback

A SUBSTANTIAL reduction in pre-tax profit for the first half of the current year is expected by Higsons Brewery, shareholders were told at the annual meeting.
Mr D. B. Corlett, vice-chairman, referred to the decline in trade from last September, and reported that the recent severe weather bad further affected turnover and profit. Steps have been taken to improve margins reduce costs, but there would be a substantial decline in the profit. Last year the company made £636,000 in tha first half and £1.76m over the whole 12 months.

Despite the setheck, the board had confidence in the long-term strategy which should see the company well placed to take Bdvantage of any upturn

Marley starts to pick up

ning to pick up says Sir Owen Aisher, chairman of building products group Marley, in his annual statement. Overall, he says: "We think the outlook for our future profitability can be

very exciting indeed."
Commenting on the problems
discovered at the U.S. subsidiary Ingrid. Sir Owen says that immediate action was taken and the parent board is now confident in the new management's ability to run Ingrid in a sensible and disciplined fashioo: "We are satisfied that we have an invest-ment in a business which will be

of growing value to Marley."

Meanwhile the rest of Marley has begun to show what can be achieved with, so far, only marginal assistance from the market-place, be states. He points to the very strong performance during the final quarter of 1980-81, particularly in roofing, plumbing and flooring, on only a minimai increase in volumes. This was achieved by operating with reduced costs while maintaining service to customers.
As reported December 17. group pre-tax profits edged ahead to £15.1m (£15.03m) on sales of £383m (£362m). The net total dividend is beld at

in his annual review that an

earnings advance is expected

not less than £1.6m, given in the February 1981 prospectus, pre-tax profits for the year ended

September 30 1981 amounted to £2.28m on a turnover of £29.65m,

sidiary—are not available and, while full provision has been

made against the investment in

the company, they are unable to

as reported on January 20.

during the current year. Compared with a forecast of

THERE SEEM to be faint signs up at £92.55m (£78.66m) and that business is at last begin- cash and short-term deposits ning to pick up says Sir Owen amounted to 54.22m (£3.25m). Working capital was up 27.2m (£1.6m)

> The report and accounts disclose that the total beneficial shareholdings of the Aisher family in the capital of the company have been reduced from 7.47m to 4.89m shares over tha 12 months to October 31. In percentage terms this represents a reduction from 3.66 per cent to 2.4 per cent of the total capital. A note to the directors share holdings says that the changes in the Aisher family holdings relate mainly to "realignment of interests rather than third party

Referring to the Monopolies Commission's report on the UK concrete roof tile industry, published in November, the chairman says: "We have no right of appeal against the commission with whom we disagree in regard to some of their findings, but in any case the customer is the final arbiter and most likely to be right."

The accounts show that th highest paid director during the year received £89,000 (£72,000). The chairman's remuneration re mained at £61,060.

Meeting: Riverhead, Seven-oaks, on March 3 at noon.

Espley-Tyas confident

any further loss remains to be accounted for in accordance with the quality of its secured property projects, Mr Ronald Shnek, chairman and chief and chief They add that the accounts
Espley-Tyas do not contain the current cost Property Group, tells members

accounts required by SSAP 16. Mr Sbuck saya that since the year-end, terms have been pro-visionally agreed for the acquisition of the oustanding minority shareholdings in Manston De-velopment. He says that the success to date, and indications for the current year "fully justify the actions taken to ensure it becomes a wholly owned sub-Auditors point out that accounts of Manston Develop-ment Company—now a subsidiary.

He adds that both turnover and profitability have increased dramatically, compared with the figures in the year prior to acquisition.

Meeting, Inn on the Park, W. on February 22, at noon

Oxley Printing in liquidation

Oxley Printing Group, whose share quote was suspended in August 1981, bas been placed into creditors voluntary liquidation following meetings of the company's members and credi-

Mr John Powell, a partner in Cork Cully, was appointed

The statement of affairs dis-closed realisable assets of £1.9m and creditors of £2.7m. It was reported that there was little likelihood of any return to any of the 2,200 sharebolders.

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	284	Banco Santander .	356	
220	148	Banco Urquijo	220	
395	263	Banco Vizcaya	374	
252	203	Banco Zaragoza	233	
165.5	82	Dragados	158	
75	45	Espanole Zinc	60	
72	55	Fecsa	61	
55	22	Gal. Preciados	. 46	1
82.7	63.5	Hidrola	64.5	1
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102.5	70	Patroleos	99.2	
104	70	Petrofibar	97	1
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. 78.2	60	Union Bect	65	
. 10.2	30	CINCHI LIBULI	90	

Jitra Rubber static at

year-end

Revenue at Jitra Rubber Plantations, investment company, remained static at £136,996 compared with £137,139 in the year to September 30 1981. An associate company, the Singa-pore Para Rubber Estates, contributed £68,084 against £58,720 of this total.

There was a tax charge of £48,765 against £50,380, and the associate's share was £30,259 (£29,369). The dividend is unchanged at 0.5p per 10p stock unit. Disposal of investments resulted in 8 net gain of £37,674 (£401), less tax thereon of £6,265 (nil). Stated earnings per share were little changed at 0.79p (0.78p).

FT Share Information

The following securities have been added to the Share Information Service: Cussins Property (Section: Property). Orbit Holdings (Oil and Cas), Sonic Tape (Electricals).

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February 1, 1982 By: Citibank, N.A., London, Agent Bank

CITIBANCO

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Dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements except where the forthcoming board meetings (indicated thus*) have been officially published. It should be emphasised that dividends to be declared will not necessarily be at the amounts in the column headed "Announcement last year."

Date	Annoonce	Data	Announces
Angio American		Imperial GpFeb 11.	
GoldMar 12	Final 800c	Lioyds Bank Feb 19	Final 9.5
Assoc.	,	*LonghoFeb 11	Final 6.0
FisheriesFeb 5	FraLO.ZS	MarchwielFeb. 19	Final 3.6
Auit and	· Contractive	Mitchell CottsMer 5	int_0.656
WiborgMar 6	Final 1.05	-NatWestFeb 23	Final 72.25
STRMar 12	Finel 5.5	Massingham	
Barclays Bank Mar 5		Manufactudog. Feb 23	Final 3.0
Bibby (J.)Mar 5		Plessey Feb. 26	Int. 3.22
Birmid		Ransomas Sims	
QualcestFeb 16	Finsi nil	and JeffriseMar. 4	Final 8.0
British		Rentokii Mar 6	Liust rr
AluminiumMar 11	Final 20	Royal Dutch PetrolsumMar 12	
British ,		Royal Ipace. Mar 2'	Figure 14 75
PetroleumMar 12		*Securicor Feb 10	Final 7.11
British ViteMer 3		Security	Yes assess
Brown Bros Feb 26	lot 1.0	Services Feb 10	Final 1.8
Carrington VivellaFeb 25	Final GA	Shell Transport Mer 12	
Commercial		Sime Derby Fab .19	int. 10%
Bank AustFeb 25	Int. 10 cents	Smith Bros Feb 19	inz oil
Commercial		Smith Potts Mar. 5	int. nil
UnionFeb 23	Final 6.4	Transport Dev. Mar 12	Figs! 28
Cons. Gold FioldsMar 4.	1-1.0E	Tube Inva Mar 1t	Final 25
		Turner and	
DalgetyFeb 18	Fru FEO cent	Newsl. Mer 11	Firm 3.0
DowtyFeb 11	Int. 2.2	UltremerMar.11. UoiteverMar. 3	Pinel 7.0
FisonsMar 2	Final 3.1	Und. BiscuitsMar 12	Final 2.5
General MingMar. 5		Utd. City	1 mind 2-10
Gold Fids, SAFeb 2		Merchants Mer 12	int OF
Guinness Peat Feb 10	Int. 2.75	. More Immeth	
Honekong and	7,510, 35	(E. W.)	Final 3.500.
Shanghal BkgMar 10	Final HK\$0.4	Board meeting lotin	reted 1 Re
HooverFeb 23	Flor 1 2.0	leque since made. + To	K Irps. & Sc
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BASE LENDING RATES

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First Nat. Fin. Corp.... 1 First Nat. Secs. Ltd. ... 2

Robert Fraser

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American Express Bk. 14 %	Hambros Bank 14 %
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Banque du Rhone et de	National Westimoster 14. 362
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Brown Shipley 141%	Trustee Savings Bank 14 %
Canada Perm't Trust 141%	TCB Ltd 14 %
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Clydesdale Bank 14 %	Members of the Accepting Houses
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Consolidated Credits '24 %	7-day deposits 11,50%, 1-month 11,75%, Short term £8,000/12
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Public Works Loan Board rates

Effective January 23 The state of the s

*Non-quota loans B are I per cent higher in each case than non-quota loans A. † Equal instalments of principal. † Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

INCAL AUTUODITY DOND TANK

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M. J. H. Nightingale & Co. Limited 27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

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INTEREST % 131 131 131 131 14 14 14
Deposits to and further information from The Carline, Passage Soc Industry Limited, 91 Waterloo Rel. London: \$15,000 (01-928-7822, Em-367).

Chapter payable to "Bank of Pingland, alc FRP" RPF is the holding company for RCR and RCE.

February 1, 1982

Merrill Lynch International & Co.

Credit Suisse First Boston Limited

Contracting & Investment Co. (S.A.K.)

Union Bank of Switzerland (Securities) Limited

Banque Nationale de Paris

Kuwait Foreign Trading

INTERNATIONAL BONDS

Lower rates campaign finds U.S. ally

IT IS beginning to look as bond markets managed to gain though the Euroband market a point in the Eurodollar and may have an ally within the Euro D-Mark sectors. Reagan Administration. His name is Donald Regan and last week he expressed his admiration for the way West German, Swiss, and British central banks "seem able to control their money supplies fairly

The U.S. Treasury Secretary then went on to pour scorn on the Federal Reserve and blamed it for high interest

Meanwhile Europe's campaign for lower rates continues. On Friday Chancellor Schmidt reiterated his desire to see U.S. rates fall. The battla is not over.

Ahead of Friday's disappointing U.S. money supply figures, however, the New York and European bond markets were both busy lifting prices of fixedboth busy lifting prices of fixed rate paper. It was, in one went from \$600m to \$800m on dealer's opinion, "a fantasy Friday and the additional land of optimism." Without any interest appeared to be coming change in the fundamentals, the

The mini-rally was, however at least partly a technical development as dealers covered short positions and prices were marked up in a purely profes-sional manner. This, at least, seems to have been what was happening in the dollar sector.

A less artificial market was

U.S. FINANCIAL FUTURES

Eurodollar contract has a quiet start

FEW FINANCIAL futures instruments were as widely hailed as the new Eurodollar certificate of deposit contract which started trading on Chicago's International Monetary Market (IMM) last December. The contract gives institutions and mdividuals a means of hedging positions in the Eurodollar market or simply speculating on the course of interest rates there.

After nearly two months, however, trading volume remains small. Only a few hundred contracts are changing hands every day, compared with many thousands for better established financial futures. Some critics suggest the contract is in jeopardy as a trading instrument, but others main-tain that trading patterns show signs of strength, and that most financial futures get off to a slow start because users need to:

The contract is the first of several planned by futures exchanges, including the London tied to a particular time zone. International Financial Futures Exchange, so its fate is being.

: Eurodollar six-month deposit rates ended the week at 15 per cent, a decline of nearly ! point. Investors were said to be coming out of the woodwork" and demand was moderate to heavy as the week ended.

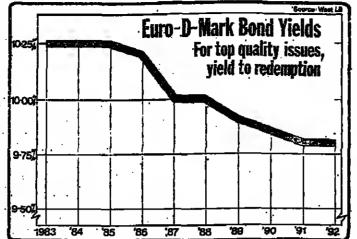
being made among new issue managers involved in the zero coupon bond business. The zero paper keeps coming and it is finding a home in Europe as well as the Far East. The General

closely watched. It provides for delivery in either March, June, September, or December of \$1m in three-month Eurodeposits at

a prime bank. The value of the contract is determined by the interest rate on such deposits. The IMM is far from despondent. Officials maintain that while daily trading volume may be lacklustre, the level of "open interest" is encouraging. This is a measure of the uet exposure that traders have taken (the number of contracts that have not been closed out by a position taken on the other

side of the market). The IMM does have a problem, however, in that it lies six hours to the west of London. the heart of the Eurodollar market. Although trading starts specially early at 7.30 am, the business overlaps is only two hours. Some people say this small window will put a constraint on trading. But bankers dis agree because Eurodollar trading is increasingly done on a worldwide basis and is less

David Lascelles



the first zero coupon bond from a non-U.S. borrower.

The Euromarket has now seen \$5bn (nominal value) of this type of paper in the past month—the actual funds being reased amount to \$1.4bn. It is not merely the Japanese retail investor, enjoying a minimum

the paper for its attractive might have been thought likely potential. Tax laws differ from a week ago. country to country, but Euro-bonds are, after all, bearer DM 150m 10-year offer for the bonds. Without the steady Province of Quebec through stream of income supplied by Commerzbank. Unless the mar-

Not all of the Gaz de France interest-bearing honds, these zero coupon paper went to zero coupon issues will prove Japan either last week. This is even more difficult than regular a small, but well-received offer, coupon honds for European tax authorities to trace. This is no small incentive.

In the Euro D-Mark sector, meanwhile, life is becoming a little more pleasant. The German current account deficit is clearly improving and foreign investors are returning to the market. The ten-year yield of capital gains taxes, who is curve (see chart) is still inverted, but new issues are Europeans are also buying requiring lower coupons than

ket deteriorates this morning, a coupon of 101 per cent should be feasible.

On the other side of the world, Japan's samurai bond market is offering coupons which lead borrowers to salivate. The recent Dow Chemical Y20bn (\$90m) cost the borrower a mere 8.5 per cent over ten years; this compares with a U.S. rate 700 or 800 basis points

Dow's issue, the second offer for a foreign corporation allowed in this market, attracted a healthy response. It was the first samurai bond ever to be co-lead managed by a non-Japanese security house, Smith

Smith Barney said on Friday it hoped to become involved with future samurai bond issues, but said the next one for NCR in April would again have a Japanese lead manager.

Japanese treasurers continue to flock to the Euromarket, two fresh issues are expected this week. the engineering Okumura. group, is believed to be raising, \$30m through a 15-year convertible bond with an indicated coupon of 54 per cent, while Honda Motor Company is reported to be interested in launching a \$100m 15-year convertible with an indicated coupon in the 51-52 per cent

CREDITS

Hopes for revival rest on deals in the pipeline

VOLUME in the Eurocredit market slumped in January to its lowest level since last May. and both banks and borrowers rate.

According to provisional figures have been sitting back to refrom Morgan Guaranty Trust, assess the climate. only \$5.1bn in new creditors were announced compared with \$7.2bn in December and \$8.8bn in January 1981.

Moreover the volume last slack month, several add that month was boosted by two unusual credits, the \$1.25bn are now in the pipeline, several financing for the Eraring Power of which could serve as bench-station in Australia, and a marks for sovereign borrowers \$1.7bn credit for Canada'a Dome at the start of 1982. Petroleum, which was announced last November but added to Morgan's statistics only last month.

Subtracting these operations leaves a total which is miniscule even by comparison with last May's low of \$4.9bn. Parti-cularly striking is the fact that developing countries raised only \$422m last month, compared with \$2.3bm in December and \$3.1br in January last year.

Yet the reason for the market's present sluggishness is not hard to find. Spreads are shifting for a number of key borrowers, and as a result banks are becoming wary of taking on commitments that may prove Alan Friedman participant end of the market. hard to sell at the smaller

be in the process of changing. While most bankers agree that January has been a particularly slack month, several add that rather slow progress as potena substantial number of deals

In Asia, for example, Korea Exim Bank is expected shortly to award a mandate for a \$300m credit. Terms are also awaited on the major financing for India's Paradip steel project.

In Europe, the Bank of Greece is beginning to sound out banks for a credit expected to be in the region of \$200m, while there have been strong rumours of a large deal for Denmark, although by last Fri-day no mandate had actually been awarded.

In Latin America the electric utility of Sao Paolo is sounding out the market through Morgan Guaranty for a \$200m, eightyear credit with a margin of 21 per cent over London inter

It has thus become difficult bank offered rate (Libor) or to set a price on many deals 17 per cent over U.S. prime

These terms look like become ing standard for tha time being This could, bowever, already for Brazil, although its previous deal, \$125m for the development bank BNDE which bears the same margins, is making tial lenders claim loan limit problems are restricting their capacity to commit fresh funds.

Argentina's electric utility SEGBA is also seeking \$200m in a deal which should clear the air after the controversial \$400m credit for YPF which has just heen completed. Argentina will resist any attempts to impose higher margins on its loans, arguing that YPF met a fairly good reception despite adverse comment in the market-

Amid confusion over the effectiveness of Italy'a queueing system for Euromarket borrowers, the financing concern IRI is seeking \$250m. Morgan Guaranty is sounding out the market for this deal which bears indicated margins in the region of 1-1 for eight years.

Peter Montagnon

1						CURREN	T INTERNATIO	NAL BOND I	SSUES
orrowers	Amount	Maturity	Av. life years	Caupen %	Price	Lead manager	Offer yield	Borrowers	Ame

	Borrowers	Amount m	Maturity	Av. life years	Coupon %	Price	Lead manager	Offer yield %	Borrowers	Amount	Maturity	Av. life years	Coupon %	Price	Lead manager	Offe yield %
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٠,	General Electric‡	400	1992	10	٥	36.08	Morgan Stanley.	4 11104	Showa Musen**§‡	35	1987	_	S Ī	100	UBS	5.750
ŗ	Geneta Electrica	-100			•		Goldman Sachs	14.390	Hiram Walker**1	75	1987	_	73	100	CS	7.250
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5	Caterpillar Tractort	140	1994	12	0	19.94	Goldman Sachs	14.380								_
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	CANADIAN DOLLARS			_												
-	TransAlta Utilities‡	50	1989	7	17	. 100	Merrill Lynch	17,000	KUWAITI DINARS							
	Consolidated-Bathurst1	40	1987	5 .	171	100	Orion Royal .	17,250	Enso-Gutzeit Oy	5	1989	. 5	•	38 4	KIÇ	-
5	* Not yet priced.	‡ Final te	ma. ** Pir	acement.	† Floating	rate note.		le. †† Registered ields pre pelcula	with U.S. Securities and Exchated on AIBD basis.	ange Comn	nission. ¶ F	vrchase f	und. Issu	io turk also	be sold on an FRN basis.	

The announcement appears as a matter of record only



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Yen 15,000,000,000 Term Loan

MANAGED BY

The Sumitomo Bank, Limited The Dai-ichi Kangyo Bank, Limited The Fuji Bank, Limited The Mitsubishi Bank, Limited The Mitsui Bank, Limited The Sanwa Bank, Limited

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The Sumitomo Bank, Limited The Fuji Bank, Limited The Mitsui Bank, Limited The Taiyo Kobe Bank, Limited The Daiwa Bank, Limited The Kyowa Bank, Limited The Bank of Yokohama, Limited The Chiba Bank, Limited The Shizuoka Bank, Limited

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AGENT BANK

The Sumitomo Bank, Limited

January, 1982



SALLYO INTERNATIONAL LIMITED

Roman House (3rd Floor) Wood Street, London EC2Y 5BP United Kingdom Telephone: 01-628 2931 Telex: 518812979 (SYSECG)

Dear Sirs,

We have pleasure in announcing that as of this date Sanyo International Limited, wholly owned UK subsidiary of Sanyo Securities Company has commenced operations.

This will make it possible to offer a more substantial investment service to our customers throughout Europe.

Details of the many services offered by Sanyo International Limited are available from our new office at Roman House (3rd Floor) Wood Street, London EC2Y 5BP, United Kingdom.

We look forward to being of continuing assistance in your investment activities.

Yours faithfully,

Joshie Muyake

Yoshio Miyake, Managing Director.



Sanyo Securities Co., Ltd. **Head Office:** 1-12, Kayaba-cho, Nihonbashi, Chuo-ku, Tokyo 103, Japan.

INTERNATIONAL CAPITAL MARKETS AND COMPANIES

U.S. BONDS

Anxiety unrelieved by small drop in money supply

is fast becoming a problem that air. refuses to go away.

the much-awaited fall in M1, the to refinance maturing debt. It most widely watched measure, will consist of \$5bn of three but it was so small (a mere 3600m compared to Wall Street's hopes for at least \$3bn) that it did nothing to relieve the mar-ket's anxieties. Bond prices— which had shown surprising strength earlier in the weekwere marked down sharply, and interest

The figure not only means the problem is still there: it also sets rallied strongly in the run-up policy-making Opeo Market Commay bave underlaid last week's mittee holds its regular annual early strength in the bond meeting to set money supply market. This came despite growth targets for the year. But President Reagan's State of the the session is bound to be overshadewed by the money supply bulge and what should be done

Mr Paul Volcker, the Fed chairman, provided Wall Street with some cheer last week \$41.25bn, exceeding the prev-when be gave a possible tech-ious record \$38bn set in the nical explanation for what was going on and said a rise in the discount rate was not on the cards. And the Fed may still lower because of high tax prefer to sweat it out and for receipts) is \$10-15bn. All these cards. And the Fed may still one more week in the bope that figures are higher than Wall a big fall will ease the problem next Friday. However, after the drubbing it received at the bands of the Administration on Wednesday, the Fed is under strong pressure to prove that it bas lost neither the will nor the ability to influence money growth, and some moderate tightening in its stance cannot be ruled out.

In his weekly report, Mr Philip Braverman, Chase Manhattan Bank's money market economist, predicts that the Fed will tighten its preferred trad-ing range for the Fed funds rate tomorrow.

The money bulge has also queered the pitch for the Treasury which is to carry out its quarter refunding this - an exercise that will dump a record \$10bn in notes and bonds on the markets. The Treasury would undoubtedly have preferred to see some good money supply numbers on Fri- AAA Util. day to set a healthy market AA industrial

It is impossible to ignore the will go through while there fact that the U.S. money supply is still a whist of crisis in the

The funding will comprise Last Friday's figures produced \$5.7bn in new cash and \$4.3bn year notes, \$2.5bn of ten year notes and \$2.5on of 30 year bonds, sold on three consecutive days starting tomorrow. Unless the market can tap new sources of strength, the Treasury will have to pay at or near record interest for much of this debt.

Surprises are always possible. The market has frequently a bad tone for this week, which to previous Treasury refunding was going to be difficult anyway. as traders decide it will not be so bad after all. Such sentiments early strength in the bond Union address, which offered no consolation to anyone who worried about the size of the Federal deficit.

> The Treasury's total borrowing needs this quarter will be ious record \$38bn set in the first quarter last year. Tantative indications for second quarter borrowing (which is always Street analysts predicted, suggesting that the Treasury finds itself more strapped for cash than they thought.

> Given all the market disruptions, borrowing activity was subdued again last week, especially when compared to the scramble to sell discount bends in the Euromarkets. Citicorp, the large New York bank-ing group, is down to self \$200m of five year notes tomorrow. But with the Treasury refunding occupying the market, the calendar is expected to remain

David Lascelles

U.S. INTEREST RATES (%) Week 10 Week 10 Jan 29 Jan 22 3-month CO 13,95 30-year Treas, bonds 13.93 14.14 16,38 15.63 15.73 15.88 tone. As it is, the refunding Source: Salomon Brothers (estimates).

Pentagon purchase ban hits Massey to National Semiconductor

BY LOUIS KEHOE IN SAN FRANCISCO

U.S. producers of integrated dircuits and a major supplier of electronic devices for military Ū.S. the

Department.
The Pentagon's action follows admissions by the company that it had taken short cuts in the rigorous reliability testing procedures required for military

National revealed the short-comings of its testing procedures after receiving a subpoena from a Federal Grand Jury in San Francisco which is investigating the certification and testing of military semiconductor components. Charges against the company could

The Pentagon action comes at elsewhere.

a particularly bad time for National is estimated to sell National, which is struggling to some \$78m worth of parts a month it reported profits of only applications.

SEMICON- \$182,000 for the quarter ending the list of suppliers approved register division has returned Defence a profit for the past six months. National's stock closed 40 cents down at \$195 on the New York Stock Exchange on Friday, although the news was not widely circulated.

> The disqualification applies to a wide range of electronic devices, which U.S. military systems manufacturers will now not be able to purchase from National. The company will bave to halt production of about 20 per cent of its military products. However, the disqualifieffect if military systems mannfacturers were to place orders

maintain profitability. Last year for military and aerospace

The market for military expected recovery in farm DUCTOR, one of the largest December 13, a reduction of 90 devices is one of the few sectors per cent over the same period of the semiconductor business in 1980. National's semicon-that is riding above the ductor operations are making economic recession and which is applications, has been struck off a loss; only its electronic cash not subject to severe price

> In issuing a "termination of certification" notice to National Semiconductor, the Defence Logistics Agency chose to reject assurances that the company had corrected its military parts testing procedures. Problems associated with

testing of military parts are endemic in the semiconductor industry. The testing regulations were set in the late 1960s and are widely considered inappropriate to today's technology, while tests required for cation could have a wider military parts are expensive for manufacturers, some of whom claim they are too expensive to allow a fair profit margin. The system for checking on manufacturers is also less than

return to creditors

By Robert Gibbers in Montreal

FOLLOWING A slower than machinery demand in 1981, the troubled Massey Ferguson will soon seek "temporary relaxation" of some provisions of last year's \$700m refinancing package with its banks and the Federal and Ontario govern-

Mr Vincent Laurenzo, the

president, said after a special shareholders' meeting in Toronto, that Massey will need the banks' support for a major restructuring. "We're looking restructuring. "We're looking for operational help because we are taking actions which could bave an adverse effect on our debt." Massey plans to cut its global workforce by 15 per cent more in 1932, but it cannot reduce its Canadian payroll below the current 6,100 under the terms of its 1981 financing agreement. It now says it will seek amendments to its credit arrangements, including the financial covenants required by the lenders. Talks have already

EFIM deficit to reach L280bn

BY JAMES BUXTON IN ROME

Italian state holding companies, financial performance of the aluminium sector.

The other interests of EFIM, which include the manufacture of the Agusta helicopter and other defence industry activities, appear to have done reasonably well. But the aluminium sector last year lost L250bn. Of this some L150bn was dne to the burden of interest charges as a result of the group's under-capitalisation.

It was also the consequence, according to Sig Corrado Fiaccavento, EFIM's chairman, of the government's failure to implement a commitment to lower the cost of energy supplies to the group's aluminium

of EFIM were attributable to plan for the revival of the the failure of governments to alumnium industry.

FFIM, the smallest of the three pay up funds to increase its Italian state holding companies, capital, Sig Fiaccavento said. He expects to record a loss of was appearing before a Senate about 1.280bn (\$226m) for 1981. Committee meeting to consider almost sail of it due to the poor the granting of L280bn in financial performance of the fresh funds to EFIM over the 1981-1983 period.

The expected deficit for 1981 compares with a loss of about 140bn in 1980 on turnover of about 12500bn. That loss was also largely attributable to debt servicing.

Shareholders of Alumintum Ital one of EFIM's operating companies in the aluminium sector, voted to write the company's capital down to the legal minimum of L200m. Last October it was reduced from L80bn to L35bn, and earlier this month from L35bn to LL15g. The measures were taken to cover part of the company heavy losses:

Next month the Italian Overall the financial problems Government is to consider a

New board for Simplicity Pattern

Mr Graham Ferguson Lacey has been appointed chairman and chief executive of SIM-PLICITY PATTERN CO. INC., New York. Mr Alan Dodd bas been appointed senior executive vice president and treasurer of the company.

Also elected to the board were

Mr Enrique Foster Gittes, Mr Edward W. Cook, Mr R. Cecil McBride and Dr Panl N. Temple (all directors of NCC Energy), Mr Alan Bond (chairman of Bond Corporation Holdings, Australia), Mr John Sands (pre-sident of West River Co. financial advisers), Mr Robert S. Johnson (managing director of Sbearson American Express Inc.), together with Ms Lilyan Affinito and Mr Harold Cooper who were both previously mem-bers of Simplicity's board.

STANDARD PRODUCTS CO., Cleveland, has appointed Mr James S. Reid Jr. as chairman. He was president and chief executive officer. He replaces Mr James S. Reid, founder and chairman, died

At the LOUISIANA LAND

AND EXPLORATION COM-PANY, New Orleans, vice chair-man and director Mr E. J. Langhetee, Jr. is to retire later this year to pursue personal interests. He is also to retire as chairman of Louisiana Land Offshore Exploration.

MIDREX CORPORATION, Charlotte, North Carolina, has promoted Mr John E. Bonestell to executive vice presidentcommercial and appointed Mr Bernt Rollinger as executive vice president—technical. Mr. Bonestell, a Midrex employee since 1967, served most recently as vice president, contracts, engineering and operations. Mr Rollinger joins Midrex from Korf Stahl, where he held numerous positions, including managing director of NORDFERRO. Midrex is a member of the Korf Group.

THE LIBERIAN SHIP-OWNERS' COUNCIL, New York, bas elected Mr R. Stanley Symon as chairman and Mr Frank S. B. Chao as vice chairman. Mr Symon, senior vice president of Stolt-Nielsen Inc., Connecticut, bas been vice chairman of the LSC since January 1981 and a member of the board since 1979. Mr Chao, president of Wah Kwong and Co. (UK) and director of Wah Kwong Shipping and Investment Co. (UK), Hong Kong, has been a member of the board since 1978. Mr Symon's Mr Maxime Sadewsky bas 5ion, io March.

INTERNATIONAL APPOINTMENTS

NORTHROP CORP. Los Angeles, has named Mr Frank W. Lynch as president and chief operating officer from March 1. He is currently senior vice president and group executive for the tactical and electronic systems group, and will succeed Mr Thomas O. Paine, who will retire. Mr Lynch also was elected to the board.

• Mr. William O. Bourke has been elected to the board of REYNOLDS METALS, Rich-

 ENGELHARD CORPORATION has named Mr Nelson B. Colton president and chief operating officer of its Engelhard Industries Division, and senior vice president of Engelhard Corporation and a member of its board.

The supervisory board of VOLKSWAGENWERR. Germany, bas appointed Dr Rolf Selowsky as a member of the board of management responsible for finance and business administration. He will take up bis appointment in Wolfsburg on May 6. Dr Selowsky comes to Volkswagen from Kloeckner-Humboldt-Deutz where he has been a board member responsible for finance and accounting

been appointed general manager and vice president of SECURITY PACIFIC INTERNATIONAL LEASING (EUROPE) in France where the company has both a branch and credit-bail sub-sidiary. He was previously general manager of COGESAT, the leasing subsidiary of Dentsche Anlagen Leasing.

Mr O'Donnell S. Redfern has been elected president of NORTH SOUTH RESOURCES. of-He was previously executive vice-president of the company and succeeds Mr Adalf Lundin who becomes chairman. The company is engaged in oil and gas exploration in Turkey and the Gulf of Suez, and is listed Vancouver Exchange.

 Mr John M. Carmont has been elected vice-president and treasurer of EATON CORPORA-TION, Cleveland, Ohio. Before transferring to the U.S. in 1977, Mr Carmont was European financial director, based at Hounslow, returning to the UK: Middlesex.

• Dr Heinz Haemmerli, vicechairman of the group manage-ment committee of leading Swiss watch concern ASUAG, is to resign this spring. The Asuag beard is to decide on a successor for Dr Haemmerii, who is responsible for group finances and the watch components divi-

The State Street Bank and Trust Company. He will have respon-sibility for world-wide banking activities, including offices in New York, San Francisco, London, Singapore and Hong Kong. Mr Maher joined the State Street organisation in 1969 and was senior representative of the bank in London in 1975.

Mr Reinhard Boeckli, Mr. Alessandro Cedraschi, Mr. Leo Loretan and Mr Friedrich Nuss-baumer have been appointed managers of BANK JULIUS BAER AND CO., Zurich

J. L. Stewart as senior representative at its Chicago office from February 1. He succeeds as chairman of UNIROYAL from Mr Brian G. Hale who will be

February 28, but will remain a American office products subdirector. President and chief executive officer Mr Joseph P. Flannery will assume the addipost of chairman on March 1. · ALCAN ALUMINIUM, Mon-

treal, bas appointed Mr. A. F. tion subsidiary, succeeding Mr. Black as vice president, South Hobart C. Kreitler, who has Pacific from June 28, based in resigned.

Mr Peter S. Maher has been Eydney, Australia elected vice chairman of the Mr Black, who was previously board of STATE STREET vice president Latin America. BOSTON CORP, and its wholly succeeds Mr. John B. Christon, owned and principal subsidiary who has been associated with who has been associated with Alcan's affairs in Australia since 1960, and who will refire in become non-executive chairmen of Alcan Australia from June 28. Mr Black joined Alean in the UK as financial director of Alcan Aluminium (UK) in 1973 and moved to Latin America in 1976

• POLAROID CORPORATION Cambridge, Mass., has appointed Mr I. M. Booth as chief operating

• Dr David Syz is to sucre Dr Hugo Tschirky in April 1 management chairman of THE ROYAL BANK OF company CERBERUS. Machine SCOTLAND bas appointed Mr. dorf. Dr. Syz will remain manager ment chairman of Staeta Control System, Staefa, which, Cerberus, is a member of the Elektrowatt group.

• Mr Paul Meldrum has bee eturning to the UK.

appointed general manager of

mr David Bereita is retiring SHANNON SYSTEMS, the North sidiary of the Twinlock Group based in Teropte. PITNEY BOWES INC has

elected Mr James L Rast as president and thief executive officer of its Dictanhone Corpora

All of these Securities have been sold. This announcement oppears as a matter of record only.

U.S. \$50,000,000

Mitsubishi Chemical Industries Limited

(Mitsubishi Kasei Kogyo Kabushiki Kaisha)

11% Guaranteed Debentures Due 1987 with Warrants to Subscribe for Shares of Common Stock

> Payment of principal and interest unconditionally guaranteed by

The Mitsubishi Bank, Limited

MORGAN STANLEY INTERNATIONAL DEUTSCHE BANK

YAMAICHI INTERNATIONAL (EUROPE) SWISS BANK CORPORATION INTERNATIONAL

IBJ INTERNATIONAL MORGAN GUARANTY LTD

S.G. WARBURG & CO. LTD.

MITSUBISHI BANK (EUROPE) S.A. THE NIKKO SECURITIES CO., (EUROPE) LTD.

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BANQUE DE L'INDOCHINE ET DE SUEZ BANQUE NATIONALE DE PARIS BANQUE DE NEUFLIZE, SCHLUMBERGER, MALLET BARING BROTHERS & CO., BAYERISCHE VEREINSBANK BANQUE DE PARIS ET DES PAYS-BAS

B.S.I. UNDERWRITERS CAISSE DES DEPOTS ET CONSIGNATIONS BERLINER HANDELS- UND FRANKFURTER BANK CITICORP INTERNATIONAL GROUP COMMERZBANK COUNTY BANK CHASE MANHATTAN

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NIPPON CREDIT INTERNATIONAL (HK) LTD. NEW JAPAN SEÇURITIES EUROPE ORION ROYAL BANK NIPPON KANGYO KAKUMARU (EUROPE) NOMURA INTERNATIONAL PICTET INTERNATIONAL PIERSON, HELDRING & PIERSON N.Y. OSAKAYA SECURITIES CO., LTD. SALOMON BROTHERS INTERNATIONAL SANWA BANK (UNDERWRITERS) SANYO SECURITIES COMPANY LTD.

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Average price changes. On day +01 on week +03;

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O The Financial Times Ltd., 1982. Reproduction in whither in part in any form not parmitted writings written consent. Data supplied by DATASTREAM International.

EUROBOND TURNOVER (nominal value in \$m)

U.S. \$ bends Last week.... Previous week 2,973.4 4,035.8

Other bonds Last week..... Previous week .793.4

* No information available previous day's price. † Only one market maker

STRAIGHT BONDS: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week—Changa over price week earlier.

supplied a price.

FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated Coupon shown is minimum Cdte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (titree month; s above mean rate) for U.S. dollars. C.cpn = The current coupon. C.yid = The current yiald.

CONVERTIBLE BONDS: Denominzed in dollars unless
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date for conversion into shares.
Cav. price = Nominal amount of
bond per abare expressed in
currency of share at conversion
rate fixed at issue Prem = Per rate fixed at issue. Prem Per-centage premium of the current effective price of acquaing shares vis the bond over the most recent price of the shares. The list shows the 200 latest international bunds for which an adequate secondary market exists. The prices over the past week were supplied by Kredietbank NV: Credit Commercial de France, Gredit Lyonnais. Commercial & AG; Westdentsche Landesbank AG; Westdentsche Landesbank Gircontrolle Rayone Commercial Girozentrale; Banque Generals du Luxembourg SA; Banque Internationale Luxembourg; A red i e t b a n k Luxembourg; Algemene Bank Nederland NV-Pierson, Heldring and Pierson, Credit Suisse/Swiss Credit Bank, Union Bank of Switzerland, Akroyd and Smithers, Bankers Trust International, Credit Commercial de France (Securities London: Citicory Internstions Bank Bawa Barope NV Deltec Securities (UK) EBC: First Chicago: Goldman Sachs Inter-national Corporation: Hambros Bank, IBF International; Kidder Peabody International; Mamaisc

(urers Handver Merrill Lynch Morgan Stanley International, Wikku Securities Company (Europe), Orion Royal Bank Salbiton Brothers International, Samuel Montagu and Co. Scan-dinavian Bank, Spolete Generals

WORLD STOCK MARKETS

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FT Monthly Survey of Business Opinion

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GENERAL OUTLOOK

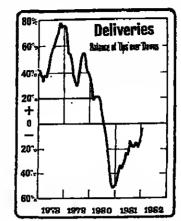
Confidence recovers a little

about the outlook improved last month, after a mild sethack at

General enofidence is substantially hetter than at the two tow points of last year-January and July-and well above what it was during the whole of 1980.

Of the three sectors surveyed this month-clectrical engineering, consumer durables and consumer services—the most opti-mism was reported in electrical engineering, where companies saw the prospect of improved markets and expressed confidence in their products.

None of those surveyed in electrical engineering, or in the consumer



durables

reported less optimism about business prospects than was felt four months ago.

Against this, there was much less confidence in consumer services, where a amail majority of those interviewed said they were less optimistic.

mism there was a feeling, among stores particularly, that the economy was still very depressed. The recent bad weather had added to the

In the electrical sector it was reported that companies felt they had to work harder than before to keep their products up-

GENERAL BUSINESS SITUATION

	4	monthly I	moving t			anuary 19	82	
are you more or less optimistic about our company's prospects than you were our months ago ?	Oct- Jan. %	Sept Dec. %	Aug Nov.	July- Oct. %	Eng'g. £ng'g. %	C'simer	Stores & C'sumer Services	
More optimistic	34	30	28	21	58	36	17	
Neutral	44	48	54	58	47.	64	33	
Less optimistic	22	22	19	22	0	. 0	51	

Of those expressing less opti- EXPORT PROSPECT (Weighted by exports)

é		. 4:	monthly :	noving t	otal	3	muary 19	87
ğ d e	Over the next 12 months exports will be:	Oct- Jan.	Sept Dec.	Aug Nov.	july- Oct. %	Elect. Eng'g.	C'sumer	Stores & C'sumer Services
a	Higher	72	63	62	66	71	106	64
t	Same	14	24	23	21	_29	0	28
ם	Lower	11	12	13	11	0	0	8
	No answer	2	2	2	2	0	0	0

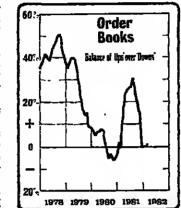
ORDERS AND OUTPUT

Qualified optimism

THERE HAS been a slight improvement in new orders and ome companies expect greater output and hope for better sales in the next 12 months. There is, however, uncertainty about whether order books can be expected to show sustained improvement.

More companies said orders had risen than said they bad fallen and all three sectors showed, on balance, an increase in orders in the last four months compared with the corresponding period last year.

Two areas where sales are markedly down are eigarettes and newspapers, the last due to



The engineering sector has

become more pessimistic about the prospects for orders books tban it was four months ago. This gloom was matched by greater optimism about orders from the durables sector.

All three sectors were more optimistic about turnover and aales than they were in September hut companies emphasised that they were excluding the effects of closures and disposals in their comparisons.

Electrical enginering is the most optimistic sector by far, with about a third of companies expecting a increase in production and sales turnover of more than 10 per cent in the next 12

NEW ORBERS

		. 4	monthly moving total			January 1982			
The trend of new orders	in the past	Oct- Jan. %	Sept Dec. %	Aug Nov.	July- Oct. %		Motor & C'sumer Durables		
	Up	26	16	15	24	78	700	46	
	Same	37	38	41	41	10	0	21	
	Down	20	27	24	23	12 .	. 0	0	
	No answer	17	19	20	וו	0	0	33	

EXPORT PROSPECTS

	4_1	monthly i		January 1982			
Over the next 12 months exports will be:	Oct jan. %	Sept Dec.	Aug Nov. %	July- Oct. %		Motor & C'sumer Durables	
Higher	50	49	45	45	78	87	29
Same	26	29	35	30	22	0	25
Lower	17	16	13	· 11	· 0	0	4
No answer	8	6	7	13	0	13	42

4 monthly moving total

January 1982

CAPACITY AND STOCKS

Destocking near an end

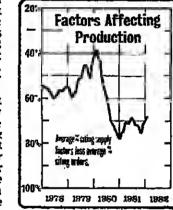
DESTOCKING HAS continued but most companies thought it was nearing Its end. They were more inclined to expect stocks tn increase in the next 12 mnnths, although perhaps not until near the end of the period. Most companies thought current stock levels were about right.

Fewer companies report that they are still working below planned output levels and the for capacity working passed the peak achieved last July. The figures probably would have been even better but for the bad weather. Mare companies feel able to plan ahead for more than three degree of confidence.

CAPACITY WORKING

level for this time of year?

Are you working at your planned output



4 monthly moving total

For the second consecutive month the extent to which production is affected by demand rather than supply factors has moved in the supply direction— mainly hecause of the lack of reports about shortages of home

Some companies are starting lo have difficulty in recruiting suitably-qualified staff and labour disputes in the news-paper industry have again been cited as a problem by newsagents in the stores and consumer services sector.

Although there are no serious shortages in supplies, delivery delays and the possibility o said to he affecting production.

> January 1982 Motor & Stores &

STOCKS

Raw materials and components over the next 12 months will:	Oct- Jan. %	Sept Dec.	Aug Nov.	July- Oct. %	Elect.		C'sumer
Increase	31	23	25	27	58	64	34
Remain the same	44	54	51	55	10	29	50
Decrease	21	20	21	14	32	7	8
No answer	4	3	3	4	0		8
Manufactured goods over the next 12 months will:						•	
Increase	18	14	17	26	34	28	34
Remain the same	44	50	50	41	30	29 .	42:
Decrease	21	21	19	16	6	14	76
No answer	5	4	7_	S	9	0	8
Not applicable	12	10	8	12	36	29	0,

FACTORS CURRENTLY AFFECTING PRODUCTION 4 monthly moving total

Are any of the following factors limiting your output at present?	Oct Jan. %	Sept Dec. %	Aug Nov.	July- Oct.		Motor & C'sumer Durables %	
Home orders	89	92	94	91	80	100	79
Export orders	55	55 .	63	62	80	59	77
Executive staff	2	1	2	1	0	0:	4
Skilted factory staff	2	4	3	3	. 0	29	ò
Components	3	ī	ī			29	
Raw materials	0	1	Ţ	3	0	0	
Production capacity (plant)	4		3	4	0		12
Finance	0	0	1	1	5	0	0
Labour disputes	2	2	- î	3	. 0	0	0
Any other factors	21_	_20	14_	16_	0	14	25
No factors	. 8	5	5	4	20	0	17

INVESTMENT AND LABOUR

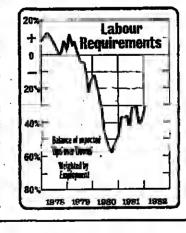
Above target capacity

Below target capacity

Some hope on job prospects

THE IMPROVEMENT in the economic outlook has been reflected in a rise in the number of companies expecting their labour forces to expand in the next 12 months.

The number of respondents expecting to cut workforces heavily outweighs those planning net recruitment, but the imbalance is less than at any time since the summer. The stores and consumer ser-



vice sector was particularly inclined to take on extra staff, in

Fewer companies said lack of demand was discouraging recruitment. All three sectors gave greater weight to supply-

index measuring planned capital

contrast with the last survey in

side factors than when last sur-There was little change in the

LABOUR REQUIREMENTS (Weighted by employment)

	4	January 1982					
Those expecting their labour force over the next 12 months to:	Oct Jan. %	Sept- Dec. %	Aug Nov.	July- Oct. %		Motor & C'sumer Durables %	C'sumer
increase	12	8	8	7	4	0	46
Stay about the same	- 44	47	44	44	1	45	38
Decrease	43	45	48	49	95	55	16

CAPITAL INVESTMENT (Weighted by capital expenditure) 4 monthly moving total

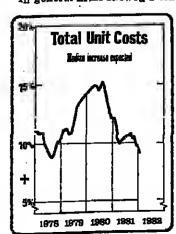
5	Those expecting capital expenditure over the next 12 months to:	Oct Jan. %	Sept Dec. %	Aug Nov. %	July- Oct. %	Elect, Eng'g.	Motor & C'sumer Durables % 42 0 0 58 0	·C'sume
•	Increase in volume	26	23	23	23	SS	42	32
	increase in value but not in volume	9	12	12	13	1	0	14
2	Stay about the same	20	22.	19	19	34	0	4
1	Decrease	42	40	43	41	10	58	50
	No answer	3	3	3	4	0	0.	0
			•	_				

COSTS AND PROFIT MARGINS

Cost trends downwards

5 per cent maximum generally predicted last September, but there is still an optimism about downward trend of unit

In general firms showed a ten-



dency to be slightly less firm in their determination to resist high wage claims than they had been. There was also a somewhat reduced tendency for companies are covered in turn

COMPANIES EXPECT wage companies to want to increase every month. They are drawn settlements to be more than the differentials. ifferentials. from a sample based on the The index of expectations FT Actuaries' Index, which about profit margins fell in all accounts for about 60 per cent

> sharply. Resistance to price increases, lack of demand, low-capacity operation, increased materials costs and the Government's failure to control the cost of

nationalised industries were factors mentioned. The durables group was par-ticularly pessimistic about profit margins, with no factors mentioned as tending to im-

prove margins. In the stores and consumer services sector there were complaints of pressure on margins through competitive price cuta and the pressure from the fall of consumers' real disposabla

These surveys, which are carried out for the Financial Times by the Taylor Nelson

Group, are based on interviews with top executives. Three sectors and some 30

three sectors surveyed and the of all public companies. overall indicator, which levelled The all-industry figure The all-industry figures are out last month, baz fallen quite four-month moving totals cover-



The state of the s	
THE SAME TWO COMPANIES IN CIR.	T n

Oct jan. %	Sept Dec. %	Aug Nov. %	July- Oct. %	Elect. Eng'g.	C'sumer	C'sume
26	23	23	23	SS	42.	32
9	12	12	13	1	0	14
20	22	19	19	34	0	4
42	40	43	41	10 ·	58	50
3	3.	3	4	0	0.	0
	Jan. % 26 9	Jan. Dec. % % 26 23 9 12 20 22	Jan. Dec. Nov. % % 26 23 23 9 12 12 20 22 19	Jan. Dec. Nov. Oct. % % % % 26 23 23 23 9 12 12 13 20 22 19 19	Jan. Dec. Nov. Oct. Eng'g. % % % % % 26 23 23 23 S5 9 12 12 13 1 20 22 19 19 34 42 40 43 41 10	Jan. Dec. Nov. Oct. Eng'g. Durables % % % % % % 26 23 23 23 SS 42 9 12 12 13 1 0 20 22 19 19 34 0 42 40 43 41 10 58

COSTS

	4 :	monthly	January 1982					
Wages rise by:	04%	Oct jan. %	Sept. Dec.	Aug Nov.	July- Oct. %	Elect. Eng'g.	Motor & C'sumer Durables %	Stores & C'sumer Services
	5-9%	2	4_	4	3_	. 0	0	. 0.
	10-14%		75	67	71	68	100	84
	Remain the same	14	13	17	16	32	0	12
	Decrease	. 0	. 2	2	2_	0	. 0	0
	No answer	. 4	7	10	9	.0	0	4
Unit costs rise by:					_			
	0-4%	2	3_	3_	7	0	0	0
	5-9%	40_	39	33	28	48	64	29
	10-14%	32_	36	30	35	22	7	21
	15-19%	4	4	7	9	0	0	0
-	Remain the same	4	3	3 .	ī	0	79	0
	Decrease	2	2	2	2 .	30	6	0
	No answer	.17	14	23	18	0.	. 0	50

PROFIT MARGINS			···				·
Those expecting profit margins over the next 12 months to:	Oct- Jan.	Sept Dec.	Aug Nov.	July- Oct. %	Elect	Motor & C'sumer Durables %	Stores &
Improve	42	49	48	44	56	0	25
Remain the same	47	43	39	35	32	36	63
Contract			7	_11_	12	64	12
No comment		d p	ئال	رَا مُ	50	0	•

Senior IBM UK posts IBM vice president Mr Kaspar director, advanced products.
V. Cassani has been elected to Walwyn Electric is part of the the boards of IBM UNITED Welwyn Electronics Group a KINGDOM HOLDINGS and IBM Royal Worcester company.

UNITED KINGDOM LIMITED

following the resignation of senior vice president Mr Jacques Mr Brian J. P. Flizgerald has been appointed to the board of WHATLINGS. Mr Roderick G. Lawson and Mr Fitzgerald have G. Maisonrouge. These changes follow Mr Maisonrouge's appoint-ment to IBM's corporate office and corporate management combeen appointed assistant managing directors of the group in addition to continuing with their mittee in Armonk last December and Mr Cassan's appointment to present duties as respectively, succeed him as chairman and group financial director and see chief executive officer of the IBM retary, and joint managing World Trade Europe/Middle director of Whallings (Build-East/Africa Corporation and as ing). Mr Ian Henderson his president of IBM Europe SA. been appointed a technical director of Whatlings and lass are director of Tyne Tees Tele the board of Whatlings (Civil in the Court of Whatlings Engineering).

BOULTON AND PAUL has made two board appointments following the resignation of Mr. P. N. M. Rudder on his appointment as chairman of United Transport Company, which is also a subsidiary of British Electric Traction. Tissuing Colville of Culross, a director of British Electric Traction Company and Mr. M. C. Fedbergier, a member of the expensive staff of BET, have both been appointed to the board of Mr Geoffrey C. Grant, senior pariner of Grant Saw and Sons, the society's principal solicitors, has been appointed to the board of GREENWICH BUILDING SOCIETY. Mr David W. Robins has been appointed to the board of HAMON-SOBELCO, British subsidiary of Hamon-Sobelco, appointed to the board of Boulton and Paul.

VISION ASSOCIATION in succession to Mr Maurice Townsend, chairman of Greenwich Ceble Communicationa. Mr Townsend remains a member of the council of the association. Mr P. A. Gosling, managing director of Radio Rentals, has been elected deputy chairman of the association. Mr Colin T. Mudd has been appointed marketing director of RENTAL RESEARCH Sir Geoffrey Errington has been appointed executive chairman of EXECUTIVE APPOINT-MENTS and also of Guy Redmayne and Partners, following the retirement of Mr Peter Sherwood who becomes life president of both companies. The reconstituted boards include Mr Clive Taylor, Mr Orde director of Granada TV Re has been elected deputy of clude Mr Clive Taylor, Mr Orde Wingate and Mr Nicholas St John-Moore as executive as executive

Mr Walter Hudson has been

Mr R. F. G. Dennis, a director

Mr Peter Paine, managing director of Tyne Tees Television, and Mr Robert Phillis, managing director of Central Independent Television, have been appointed to the board of INDEPENDENT TELEVISION

Mr Steven B. Altnen, at present a vice-president of Chise Manhattan Bank, London, will be joining the investment banking side of MERRILL LYNCH in London from March 1. of Rediffusion, and chief execu-tive of Rediffusion Consumer Electronics, has been elected chairman of the CABLE TELE-VISION ASSOCIATION in suc-

Mr A. J. G. Issue has been appointed a deputy chains of the board of INLAND REVEAUS from April 1 in succession to Mr A. H. Datton who will be retiring from the public service.

Sir Patrick Nairne has been elected president of The NATIONAL PELEVISION RENTAL ASSOCIATION in succession to Lond Bowden of Chesterfield. Mr J. R. Johnson managing director of Visionium has been elected chairman of the escreighton in successions to the association in succession to the association in succession to the association of Radio Rentals. In Gosling remains a member of the association man in succession to like

Mr Peter Samuel has been appointed chairman of SAMUEL Mr Walter Hudson has been PROPERTIES. He succeeds appointed to the board of Viscount Bearsted, who has WELWYN ELECTRIC as retired.

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sob-divisions shown below are based mainly on last year's timetable.

mainly on last year's limelable.

TODAY

COMPANY METRINGS—
Stanelco. 20 Copitall Avends EC 10.00/
BOARD METRINGS—
BOARD METRIN Kloof Land.
Lubanon. Gold Mining.
Lubanon. Gold Mining.
Monks: Irm. Tat. 1.19
Newratto. 2nd Kateshuad Water Ibs. 2.
24 5 56-pc.
Nicor Inc. 77655
Vest-vacet pp. 17555
COMPANY MEETINGS
COMPANY MEETINGS
Fenner C. 412 (110gs.). Queen's. Hotel.
Play Square, Leeps. 12.50
Play Square, Leeps. 12.50
20 Gresham Street Ed. e inv. Db. Suc. Löndon Props. 10pcPt. Spc. an Tst. SpcPt. 1.75pc on Straththyo 1.12 p actum Gro. 7tgscPt. 2.625pc Fisheries i.n. 4tgsc Leisure 1.8p c Assets Tst. SncPt. 1.75pc rp. SpcPt. 1.75pc rp. SpcPt. 1.75pc rp. Gro. 3.75pc

m Grp. 3.79 gham Fity, Rate 74pcRed. 1880-82

Control of the Research of the Control of the Contr Northamodon Variable Fare Red. 1981.

57.8125
Ransome Hoffmann Pollard, 2s
Ransome Hoffmann Pollard, 2s
COMPANY MEETINGS

AE, The Savoy Hoffi W.C. 4.00
Alcovd and Smithers: Austin Franticus 2-6 Austin Friends

Found 2-6 Austin Friends 2.C. 12.30

Brockhouse Victoria Works; Hill Joan
West Servenich, 3.00

Soym (Anntham). Trislant Hotel, 50s

Savred Cate, Salmesbury 12.00

Faciline Boats. The Saon Inn. Painthonough, 3.00

Greenall, Whittey, Lord Debasting Hotel, Dereshow Warrington, Chester 12.09

Guilliness (Agrinu), The Touran Hotel, Fast
Royal Greeney, N.W. 2.45

Fordia Roy MEETINGS.

Freder Descriptions

in. 212pc nmd Colonial Inv. Tst. Dbs. 212 Overseas Finance Colp. 127acCdtd.
1/2/88 6-3-75
6-05. 71acFf. 2.6256c
0uss Water Authority 5-pc Ros.
1986-83 2 pc
60c Stabilisation and Refugee Lo. SMILE BYOS.

HOWEIGH DE SOND & INTEREST PAYMENTS—

ARROYD AND SNIPPES, 109

ARROYD AND SNIPPES, Finanue 71-ocGtd-Bds. 1978-92

3 April 2 Chemical Inds. SpcPi. 1.75pc. Los. 2:4 5-spc. Industrial and Gen. 7st. Db. 2-spc. Jamaica Public Service Ob. 3-spc. Jamaica Princes St. Edinourgh 10pcPf. (John) SpcPf, 1.75pc. 7pcPf.

/Spc
chains Tst 4-spcPf, 1-S7-Spc
chains Tst 4-spcPf, 1-S7-Spc
consistent Estate and Prop. Impal, NV
class 1974 4pc
Topolitan Water New River SpcDb. (Montague L. 1.25p

Apricultural Secs. Corp. 140cDb. 7pc U. Inv. SpcPr. 1.75pc atni. Finance NV 81spc Gtd. Notes. Ansport and Trading 7pcPf. 2.45pc.

ipc Hardwick YpcPf. 2.45pc Hardwick YpcPf. 2.45pc I Tst. Db. 2ippc Handelsbanken Fits. Rate 122-pc 1986 6 ppc str 18. UB. 24pc
str 18

BUSINESSMAN'S DIARY

TIK TRADE FAIRS AND EXHIBITIONS

UIX .	INADE LAND AND DA
Date	Title
Current	British Toy and Hobby Fair (01-701 7127) (until
****	Feb 3)
Feb 14	Photography at Work Exhibition (01-688 7788)
Feb 24	COMPELEX 32—Electronic Components Exhibi- tion (01-629 4304)
Feb 7-11	International Spring Fair-Gifts (01-855 9201)
Feb 9-12	Information, Technology and Management Exhibi-
	tion and Conference—INFO '82 (01-647 1001)
Feb 10-12	Western Building Show (01-643 8040)
Feb 10-12	Ceramic Tile Exhibition and Conference TILEX
	(01-500 0468)
Feb 12-14	Crusts Dog Show (01-493 7838)
Feb 14-17	international Men's and Boy's Wear Exhibition
	(021 705 6707)
Feb 16-20	Ideal Home Exhibition (0202 28475)
Feb 21-23	Video Software Show (771-RRR 9500)
Feb 21-25	Seottish Gifts Fair (01-855 9201)
Feb. 24-25	Oil, Gas, Petroleum and Process Plant Exhibition
	(01-637 8841)
Feb 28-Mar 4	International Light Show (0248 \$8396)
Mar 1-4	-Hydrauses and Pneumatics Exhibition (01-839
	5041)
Mar 26	International Production Engineering and Produc-
Man 4 72	EVILY Exhibition and Conference (01.747.3131)
Mar 47	Plational Glazing Exhibition (01-686 2599)
Mar 7-9	FOOTWEST and accessomes phone (01.790 2071)

Mar 7-9	Footwear and accessories show (01-739 2071)
OVERSE	S TRADE FAIRS AND
Feb 5-14	international Boat Show (01-486 1951) Equipment and apparatus for drug production and testing exhibition (01-235 2423)
	International Trada Fair for Household Appliances Fittings and components—DOMOTECHNICA (01-409 0956)
Feb 13-16	International Trade Fair for Watches, Jeweller, and Silverware—INHORGENTA (01486 1951)
Feb. 15-18	Middle East Machine Maintenance, Light Engineering and Handling Show—MEM (01486 1951)
Feb 23-27	International Rubber and Plastics Exhibition for Asia (01-839 5041)
Feb 25-28	Scandinavian Menswear Fair and Fashion Weel (01-540 1101)
Mar 58	Winter Sports Fashion Exhibition (01-439 3964)
DITCIDITIO	O ANTENNA TE A DE ATE O TRACE.

Earls Court Exhibition Centre, Harrogate American Embassy NEC. Birmingham

Barbecan Exhibition Centre Exhibition Centre, Bristol Wembley Conference Centre

Earls Court Assembly Rooms, Worthing Heathrow Hotel Kelvin Hall, Glasgow

Bloomsbury Centre, London Olympia

Olympia Cupard International Exhibition Centre, Harrogate

NEC, Birmingham

EXHIBITIONS

Helsinki

Cologne

Bahrain

Copenhagen Paris

NFERENCES

BUSINESS AND MANAGEMENT C	ONFI
Feb 1-2 Metal Bulletin Congresses: Middle East Meta	be
and Minerals (01-833 6525)	Dubai
Feb 2 Oyez: Company Finance for the Executive Secr	e- ·
Feb 34 FT Conference: The Seventh Pensions Conference	Portman
Feb 34 FT Conference: The Seventh Pensions Conference	ce
(01-621 1355)	Grosven
Feb 4	Tower I
Feb 8 American Tax Institute in Europe: Finance/Leasin	og .
under new IIS tax laws (Peris 256 33 70)	Waldori
Feb 9-12 INFO '82-The challenge of Information Tec	h -
pology (057292 2711)	Barbicar
Feb 9-10 FT Conference: The Euromarkets in 198	32
(01-621 1355)	Inter-Co
Feb 9-12 Offshore South East Asia Conference (01-546 514	 Singapo:
Feb 10-11 Spearbead Exhibition: UK Offshore Safety Co.	
ference (01-549 5831)	Eastbon
Feb 11	T-
Feb 15-17 AMR International: Management Skills and Tech	A-
Feb 16-17 Crown Eagle Communications: Gaining Value from	Kensing
Feb 16-17 Crown Eagle Communications: Gaining Value from	m Hilton I
Feb 17 Mills and Allen Communications: CBT Technique	HUIOIL I
Ped 17 Miles and Atlen Communications (61 fectingle	London
and Uses—An Appreciation (01-240 1307) Feb 18-19 International Chamber of Commerce: The international Chamber of Commerce: The international Chamber of Commerces and Uses—An Appreciation (01-240 1307)	- rondon
Feb 18-19 International Chamber of Commerce: The international effects of nationalisations (Pari	ic
261.85.97)	. Paris
Feb 25-26 The Economist: The World Market: protectionis	
or co-operation and expansion? (01-839 7000).	Hyde Pa
Feb 25 The Banker/OPC/LCCI: Growing Pains—Resolvin	
the problems facing international Banks	
establishing and developing a physical present	
in the City of London (01-629 2483)	Cannon
Feb 25 Dun and Bradstreet: Fundamentals of cred	
management—for credit personnel and thos	e
concerned with trade debtors (01-247 4377	Albeny I
Mer 1-2 FT Conference: The Fourth World Motor Con	i-
ference (01-621 1355)	Geneva
Mar 3 DIRC (UK): The credit apelysis of international	4
banks (01-788 5126)	. City Con

Dubai Portman Hotel, Wi

cliffe, first chairman of the overall scheme can be form-Many Government's Executive ulated. He said: "The less trial and finance centre—low Council, its cabinet. He was government interferes in pri-taxation and stability, Grosvenor House, WI Tower Hotel, E1. Waldorf Hotel, WC2

Barbican Centre Inter-Continental Hotel, W1 Singapore

Eastbourne Amsterdam

Kensington Hilton Hotel Hilton Hotel, W1

Hyde Park Hotel, W1

Cannon Street, EC4

Albany Hotel, Birmingbam Geneva

City Conference Centre, EC3 Anyone wishing to attend any of the above events is advised to telephone the organizers to ensure that there has been no change in the details published.

This week in Parliament

(Miscellaneous Provisions) Bill. Commons: Debate on the nuclear power programme. Lords: Mental Health (Amendment) Bill, Committee; Fishing Report. Vessels (Acquisition and Improvement) Grants Scheme.

Select: Committees: Foreign Affairs: Subject: Caribbean and Central America: British approach to stability, security and development. Witness: Miss J. Pearce (Room S. 4.30 pm). Treasury and Civil Service: Subject: Budgetary Reform in the UK. Witnesses: Treasury officials (Room 15, 430 pm).

TOMORROW Commons: Coal Industry Bill. Second Reading; New Towns Bill, remaining stages. Lords: Currency Bill, Committee and remaining stages. Social Security Contributions Bill, Report and Third Reading, Civic Government (Scotland) Committee; Rates Amendment (NI) Order: Electricity Service (Finance) (NI) Order. elect Committee: Environment;

lords Association (at 4 pm); or David Donnison (at 5 pm) (Room 16, 4 pm).

period to the next House of

Keys general election, under

Geneva — 1 and 2 March 1982

London — 22 April to 24 June 1982

INDUSTRIAL RELATIONS

The Financial Times Limited

Minster House, Arthur Street

Conference Organisation

London EC4R 9AX

London — 29 and 30 April 1982

BY OUR ISLE OF MAN CORRESPONDENT

five-year plan to cover the Finance Board.

THE FOURTH WORLD MOTOR CONFERENCE

the guidance of Mr Percy Rad- mental plans on which an

Subject: Private Rented Housing

Sector, Witnesses: Small Land-

remaining stages; Electricity Transport Executive (at 4.15 Service (Finance) (Northern pm); Sir Peter Masefield and Sir Ireland) Order, Lloyds Bill,

Lords: Debates on the effects of market forces on society, and on part-time higher education.

Select-Committees: Defence -

Sobject: Ministry of Defence Organisation and Procurement Witnesses: British Shipbuilders (Room 15, 10.30 am). Scottish Affairs - Subject: Rural Road Passeoger Transport and Ferries in Scotland. Witnesses: Scottish Office (Room 5, 10.30 am). Home Affairs - Subject: Police com-plaints procedure. Witnesses: Association of Chief Police Officers; Director of Public Prosecutions (Room 8, 10.45 am). Public Accounts - Subject: University Grants Committee cootrol of university building projects; Assessment of University grant needs. Witnesses: Sir James Hamilton, Department of Education and Science: Dr E. Parkes, University Grants Committee (Room 16, 400 pm). Social Services - Subject: The age of retirement. Witne pm) (Room 16, 4 pm). Confederation of British Indus-WEDNESDAY try. (Room 21, 415 pm). Trans-Commons: Local Government port — Sobject: Transportation Bills.

Isle of Man drafting five-year plan

THE Iste of Man is drafting a formerly chairman of the vate business the better it is

Mr Radcliffe wants the Boards

of Tynwald to submit depart-

Financial Times Conferences

This pre Motor Show Conference will be opened by Dr Umberto Agnelli, Chairman, Fiat Auto SpA.

This course, the 24th in the aeries, is arranged with the City University and is designed to provide a

broader understanding of all aspects of the operations of the City and the factors that have made it a pre-eminent financial and trading centre. The course comprises ten afternoon sessions and each lecture is given by a leading anthority in his field.

Professor Sir John Wood of the University of Sheffield will chair and address this Conference which

will consider the principal issues of concern in the industrial relations field. The distinguished panel of speakers will include Mr J. P. Lowry, Chairman of ACAS and Professor B. C. Roberts of the LSE. All enquiries should be addressed to:

pm); Sir Peter Masefield and Sir Peter Parker (at 5.30 pm) (Room 17, 4.15 pm). Employment - Subject: The proposed industrial relations legislation. Witness: Rt Hon Norman Tebbit

MP, Secretary of State for Employment (Room 10, 4.30 pm). Energy — Subject: Cam-bined Heat and Power Witnes-ses: The Marshall Committee (at 4.30 pm); Department of Energy (Room 6, 4.30 pm). Welsb Affairs — Subject: Water in Wales. Witnesses: Welsh Water Authority Land Drainage Committee and Caldicot and Wentlooge Levels Drainage Board (Room 18, 430 pm).

THURSDAY Commons: debate on belp for the elderly

Lords: debate on the Scarman Recort. Select Committee: Agriculture -Sobject: Less Favoured Areas. Witnesses: Agriculture Development and Advisory Service; Hill Farming Research Organisation; Exeter University (Room 16,

FRIDAY Commons: Private Members'

for the business. And the end

result is more revenue for

He plans to promote

taxation and stability,

Tel: 01-621 1355

Telex: 27347 FTCONF G

Cables: FINCONF LONDON

island's advantages as an indus-

11.00 am).

BY ERIC SHORT THE Prudential Company increases its motor premiums last year rose on premiume rates for private cars average by 7.3 per cent, comtoday by 9.3 per cent. This rise, which the Pru has kept very quiet about, is significant for two reasons. 600,000 motorists on its books, it is the first major motor

INSURANCE

months. Second, the previous motor rate increase was made 12 months ago, when the Pru put up its rates by 9.3 per cent. This was the first time for several years that the company had held its rates for 12 montha. Previously, it bad changed its

insurer to put up its premiums

this year. Indeed, it is the first

rates every six months. Last year's increase was well below the rate of price inflation. Even so, the Pru was able to hold its rates for a year. How was this possible, and what did

Possible answers are given in the annual review of UK motor insurance by stockbrokers Rowe and Pitman

There is little doubt why the Prudential held its rates for a year. All the major composite UK insurance market is about the only major one offering frequencies had risen steadily, prospects of a decent return—

The better weather last year. and the personal sector, with its index-linked premiums, is

the fastest growing. Any competition for such business must centre on motor insurance. For some insurance companies, it is the most important part of their world business, as the Rowe and Pitman survey highlights.

For example, in 1980 UK Other speakers will include Mr Hideo Kamio, Managing Director, Toyota Motor Sales Company, Mr R. Stempel, Managing Director, Adam Opel AG, Mr R. Rorrocks, Chairman and Chief Executive, Cars Group, BL Public Limited Company; and Mr Corrado Innocenti, Managing Director, Alfa Romeo SpA. The Conference is being arranged in association with Booz, Allen and Hamilton. motor insurance accounted for 27.2 per cent of the worldwide premium income of General Accident, while for Eagle Star the proportion was 23.8 per cent and for Phoenix 23.8 per cent.

The Prudential is predominantly a life company with a substantial non-life portfolio and UK motor accounted for 24.7 per cent of non-life premiums. The report shows that the

importance of UK motor business has grown in the past five years. In 1976 it accounted for 8.9 per cent of the combined the seven major quoted composites. By 1980 this had grown to 14.9 per cent, The survey illustrates the

effects of growing competition, with increases falling behind

Assurance the rate of inflation. Motor pared with 19.6 per cent in 1980 and 18.1 per cent in 1979.

Pru increases motor

premium rates 9.3%

Most of last year's rate rises came in the first six months. Market conditions became more competitive as the year progressed and there were few increases in the second half of to increase its rates for several the year.

But far from piling up underwriting losses as might be expected, the brokers estimate that losses last year will be cut to £9m for the UK motor insurance account, against nearly £50m in 1980.

There are several explanations. First, the influences on motor claims costs have been favourable. The rates of increase in new car prices, cost of spare parts and garage charge-out rates (labour costs) have fallen sharply from their high levels in 1979.

Second, claims frequencies the ratio of the number of claims to the number of cars insured—have also been falling from the peak levels of 1979. The survey shows the claims expressed as a percentage of insurance companies are exposure fell from 21.0 per cent engaged in keen competition for in 1979 to 19.9 per cent in 1980, personal nowifa business. The with a further 2 point fall likely for 1981. Up to 1979, claims

The better weather last year. the higher cost of petrol and the reduced use of cars because of the recession influenced this trend.

Finally, there is a considerable time lag between insurance companies putting up premiums rates and the effect coming through in the accounts.

able underwriting experience expected to rise again and put pressure on insurance companies for a premium rate in-

the first to put up their rates. Companies are therefore

results are known. Rowe and Pitman anticipate modest premium

February 1, 1982

FIRST PENNSYLVANIA MORTGAGE TRUST

(A Massachusetts business trust)

has become

ATLANTIC METROPOLITAN CORPORATION

(a Delaware Corporation)

NYSE TICKER SYMBOL-ATM

Bank of India

announce that on and

after 1st February, 1982

the following rates will apply:

Base Rate....142% per Annum

(Decreased from 15%)

Deposit rate (basic) 12%

per Annum

(Decreased from 13%)

Bank of India

COMPANY NOTICES

C. ITOH AND CO. LIMITED
TO THE HOLDERS OF
BEARER DEPOSITARY RECEIPTS
be following supportaneous to all C. Itoh & Co. Limited sharehol
PUBLIC NOTICE OF RESOLUTIONS OF THE BOARD OF
DIRECTORS CONCERNING THE ISSUANCE OF BONDS
WITH WARRANTS

C. ITOH & CO. LIMITEO

Seiki Yezaki President and Director

Current Market Price per Stare

relegizate of the Bonds due 1987 with Warrants to subscribe Common Stock of the Company
Aggregate Amount of Issue
US \$50.000.000 and the sum equal to the total principal amount of repla
loss, then or destruction of the Bonds, subject to appropriate evidence
100% of the par value of the Bonds.

11 We per annum of the par value of the Bonds.

Number of Shares

all also be made in the event of stock dividends. the free dist if also be galace in the event on average an addition of other current market price or upon the occurrence of others and not be inferior to the par what per Share of Coule be broad upon the exercise of a Warrant. res to be broard upon the exercise of a Warrant.

common Stock with par value of the Company (par value per Share of 50, Yeu).

I so to be exercised at any time on and after March 1, 1982, up to and including Lanuary 20, 1987 [local time of the place where see Notice is deposited); provided that if the Boods issued there with become immediately due and repayable at any time prior reason to the commence of any event of default the Warrants may be deposited to be exercised at any time prior to the date include amount of the Bonds is duly made but shall become void the mafter to be subscription but if the Warrant and Warrant about within the Warrant Exercise Period and the subscription moneys are paid to the subscription bank (The Dai-Iodh Kongyo fice) within the Warrant Exercise Period.

tion on a stand-by basis by the Underwitten including the following Manathen Minko Securities Co. (Europe) Limited
Morgan Guaranty Limited
Rangue de Paris et des Pays-Bas
Deutsche Bank artengesellschaft
Kleinwort benson Limited
Morgan Grenfell & Co. (Limited
Salomon Brothers international
J. Refrey Schroder wagg & Co. Limited
Smith Barney, Harris Upham & Co. Incorporated
Algemene Bank Nederland N.V.
Danichi Kangto International Limited
Daiwa Burope Limited
Deexel Burnham Lambert incorporated
Kuwahi international Limited
Sumitomo Fivance Investment Co. S.A.K.
NOMURA INTERNATIONAL LIMITED
SUMITOMO FIVANCE INTERNATIONAL LIMITED
SUMITOMO FIVANCE INTERNATIONAL LIMITED
SUMITOMO FIVANCE INTERNATIONAL LIMITED
SUMITOMO FIVANCE INTERNATIONAL LIMITED

CAISSE NATIONALE DE **TELECOMMUNICATIONS** FFr 125,000,000 Loan 7.50% 1972-1984

whed taking previous instalments into account.
GUISTIAMDING AMOUNT AFTER MARCH 1, 1982.
FF. 50,000,000.
BONDS WILL BE REPEEMASLE AT PAR AS FROM MARCH 1, 1982.
WITH COUPONS AT MARCH 1, 1983 AND SUSSEQUENTS ATTACHED.
REDESTABLE BONDS NOT YET PRESENTED FOR REPAYMENT:
NOS. 9813 to 14459 inclusive.
MANOUE DE PARIS ET DES
PAYS-BAS POUR LE GRAND-OUCHS
DE LUXEMSOURG

CASSE NATIONALE DE TELECOMMUNICATIONS US\$20,000,000 Loan 8% 1971-1986 The redemption instalment of U.S.\$2,000,000. due on March 1, 1982 has been partly met by earthasts in the market to the position of U.S.\$52,000. The calance of U.S.\$1,838,000. The calance of U.S.\$1,838,000. In the presence of a motary public. In the presence of a notary public. BONDS DRAWN BY LOTI. Not. 2294 to 10086 inclusive when taking previous incraiments into account of the presence of the previous incraiments.

TAKING PYWIOS INSTAIREDS INTO SECTIONS.

OUTSTANDING ANOUNT AFTER MARCH 1, 1982;
U.S.S.GOD.OO.
BONDS WILL SE REGEMABLE AT PAR AS FROM MARCH 1, 1982 WITH COUPONS AT MARCH 1, 1982 AND SURSEQUENTS ATTACHED REDEMABLE BONDS NOT YET PRESENTED FOR REPAYMENT: INSTAIREDT SO FIG. 103.79!
NOS. 4884-6112 INCOMPS.
INSTAIREDT SO FIG. 103.81!
NOS. 6193-8911 INCOMPS.
BANQUE OF PARIS ET OSS
PAYS BAS POUR LE GRAND SUCHE

BANQUE NATIONALE DE PARIS Floating Rate Note Issue of US\$250 million January 1980/88

The rate of interest applicable for the three month paried beginning Jensery-29th, 1982 and set by the reference agent is 154% annually.

CLUBS

policy of fair play and value for money. Supper from 10-3.30 em. Disco end top

THE COMPANIES ACTS 1948 TO 1981 NOTICE TO DISSENTING SHAREHOLDERS

Pursuant to Section 209(1) of the Companies Act 1948 in the matter of PROVIDENT LIFE ASSOCIATION OF LONDON LIMITED

Cherclaster called " the transferor company ") WINTERTHUR SWISS INSURANCE COMPANY

For the Transferee Company HANS BRAUNSCHWEILER

1. The Greater London Council hereby pive notice that Tenders will be received at the Chief Registrar's Office (Bank Baildings), Bank of England, London, ECZR 8EU, on Monday, 8th February, 1982, at 72 noon jur Greater Longon 5. The Bills will be laused and paid at the Berk of England.
6. Notiferation will be sent by post, on the same day as forders are received, to the persons whose Tenders are accepted in while or in oart and payment in full of the amounts due in respect of spek accepted Tenders must be made to the Rank of England, by means of such or by draft or chaque drawn on the Bank of England, not large than 1 to 0.m. on This stay. 11th February, 1081, 7. Tenders must be made on the Cank of the means which may be obtained either from the Bank of England, on from the Council's October 1 the Council of Section 1 the Section

PUBLIC NOTICES

METROPOLITAN ZOROUGH OF WIRRAL BILLS

CONTRACTS AND TENDERS



LEMBAGA LETRIK NEGARA TAHAH MELAYU NATIONAL ELECTRICITY BOARD OF THE STATES OF MALAYA

TRENGGANU HYDROELECTRIC PROJECT

CONTRACT NO. 1854/24 -- CABLING AND EARTHING LEMBAGA LETRIK NEGARA. TANAH MELAYU invitee applications from eultably qualified and experienced contractors wishing to be registered as tenderers for the following contract for the Tranggenu Hydroelectric Project in Tranggenu, Maleysia:

CONTRACT No. 1854/24 - CABLING AND EARTHING

CONTRACT No. 1854/24 — CABLING AND EARTHING
This contract comprises the design, menulecture, factory testing, delivery, a rection, reating and defect liability for the following glent:

Cabling and sarthing for Preseure Tunnel Inlet Structure
Cabling and carthing for Preseure Tunnel Inlet Structures
Interconnecting cabling between Power Station, Sub-station, Pressure Tunnel Inlet Structures on Osem Instrumentation Terminal Structures
LEMBAGA LETRIK NEGARA through the Government of Melevian ness applied for a loan from the Overseas Economic Co-operation Fund Japan under the Fifth Yeo Credit on an united basis to finance the loreign currency portion of these Contracts. Applications for registration will be considered from interested contractors of the following countries:

1) Member countries of the Organisation for Economic Co-operation and Development (OECD)

2) Oeveloping countries in general subject to Individual notification

and Development (OECD)

2) Developing countries in general subject to individual notification of approval by LEMBAGA LETRIK NEGARA

Formal applications for registration should be submitted not letter then 1 April 1982. It is expected that render documents will be leased to registered tenderers about May 1982. Tenders will be required to be submitted about 3 months thereafter.

Tenderers must have had approved previous experience in the design. manufacture and erection of similar equipment in large power stations. Full details of monufacturers experience and their technical and financial competence must be forwarded with the applications. Applications must be accompenied by a benker's order or draft for \$A250 payable to SNOWY MOUNTAINS ENGINEERING CORPORATION as a documentation fee for sech contract. The documentation lae will be refunded only to applications must be forwarded to:

Applications must be forwarded to:
Project Manager
Trenggent Hydroelectric Preject
Snowy Mountains Engineering C
PO Bos 356
Caoms North, NSW 2630 with a copy to: Project Engineer

Trengganu Hydroelectric Project Netional Electricity Board PO Box 1003 Kuela Lumpir, Malaysia LEMBAGA LETRIK NEGARA is not liable for costs incurred by soplicents in preparing applications sod will not be liable for costs incurred by

Housing Executive

Tendars are invited for the supply, delivery, installation and commissioning of Computer Terminal Equipment.

Equipment.

Tander forme, specifications etc., may be obtained from the Office Services Department. The Housing Centre, 2, Adelaide Street, Sellest 212 898 (telephone no. Bellest (0232) 40588 extensions 2185/5), and completed tenders, seeled in anvelope provided, must be roturned to this address not tater than 3,00 pm, Tuosday, 16th February, 1982.

The Executive in our bound to

The Executive is not bound to accept the lowest or any tender. J. R. GORMAN Chief Executive

ALL TENDERS Delivered on time by TNT Courier System, OIAL 100 and ask for Freephone 4368.

ART GALLERIES

BROWSE & DARBY, 19 Cork St., W1. 734 7984. PHILIP SUTTON Waterplants EFEYRE GALLERY, 30. Bruton St. W1. 01-453 :572. AN EXHIGITION OF IMPORTANT XIX 3nd XX CENTURY WORKS OF ART, MON.-FH. 10-5.

MARLEOROUGH, 6. Albemaste St., W1. ALEX KATZ RECENT PAINTINGS. Ur.:11 6 Feb. Moe.-Fri, 10-5-30. Set. 10-12-30 pm.

MATHAF GALLERY, 32. Motcome Screet London, SW1. Tel 235 0010, Specialists to 19th Century and Contemporary Paintings in ARABIA.

COVENT GARDEN GALLERY, 20 RISTOR St. WCZ. 835 1139. WINTER EXHIBI-TION EARLY SRITISH WATERCOLOURS, Gly. 10-5,30, Thure, 7, Sec., 12-30,

The bad weather last month, and the price war at the petrol pumps have ended the favour-Claims frequencies can be

On the other band, competitive pressures are just as strong. and few companies want to be

waiting to see what the General Accident will do. Britain's largest motor insurer last changed its rate on August 1 worldwide premium income for 1980. The impression is that a rise will come once the 1981

> rather increases this year-about 10

> > TENDERS FOR GREATER LONDON BILLS

12m Bills from 27th January, 1982 to 8th April, 1982 at 13 35:64ths per continuing 15m 15m continuing

MONEY MARKETS

A little more help

A LITTLE extra help was pro-vided to the London muncy market by the authorities on two days last week. Possibly the late intervention on Monday and Wednesday was considered too operation seems to have merely led to unnecessary suspicion.

The outlished assistance on Monday was £252m on an indicated shortage of around £530m, with all the bill porchases confined to bands 1 and 2. This also led to suggestions that the Bank of England was trying to keep

small to warrant inclusion in the regular market report, but if only about £10m worth of bills were involved on Wednesday, the secretive nature of the appraising same to have more than the Raph of England market. the Bank of England market

dealing rate.

During the week three-month interhank money was uochaoged at 144 per cent, while seven-day money fell by is per cent to

14.7 per cent.
In Paris call money rose to 15; per cent from 15 per cept. the market tight, even though it was probably a reflection of the fact that lunger term bills were offered to the authorities outle sharply. One-month of the discreptions were very nervous pired with 10.30 per cent, following another set of although call money firmed to

BANK OF ENGLAND TREASURY BILL TENDER

	Jen. 29	Jan. 15		Jan. 29	' Jan. 22
9ille on offer		•	Top accepted	13.53713	13,33713
applications	£563,47m £100m	£444,445m £1 00 m	Averago rate of discount Average yield	13.3192%	13.3169 <u>%</u> 13.99%
Accepted bid Allotment at millimun level		£96.623 62%	Amount on offer at next tender	£100m	£100m

disappointing U.S. modey supply 10.05 per cept from 9.875 per Administration, including Mr

Paul Volcker, chairman of the Help of £430m on an expected ID New York Treasury bill shortage of £400m was provided rates showed an easier trend by on Tuesday, and of £275m on a shortage of £250m on Thursday. Federal funds overnight rate be reversed was seen as a supply growth will soon be reversed was seen as a was little changed at around 14 honeful sign in Europe, con-per cent despite strong upward pressure on earlier days. Com-ments by members of the U.S. honeful sign in Europe, con-ment in London's gilt-edged market.

Eligible Bank Bills &

COLIN MILLHAM

WEEKLY CHANGE IN WORLD INTEREST RATES

7	LONDON	Jan. 29	change	NEW YORK	Jan. 29	change
3	Base rates	14	unch'd	Primo rates	134	Unch'd
	7 day Interbank	· 145g-1434	,—/e	Federal funde	137g-141g	+ 1a
3		14, 14,	nuch, q	5 mth Treasury Bille	12,25	-0.59
		.15.5122 137a		9 Mth. Tressury Bille	112.61	-0.65
i	Band 8 2ills	137a	Unch'd	3 Mth. CD	13,95	-0.05
_	Band 5 Sills	13:4		FRANKFURT		i
1	3 Mth. Treasury Silla	1512-151;	: 	Special Lombard		:Unch'd
:	1 Mth. Sank 2ille	157:15	—			0,40
•	3 Mth. Bank Bills	13513.5	16	Three month	10,30	-0.05
-	TOKYD	1		PARIS	i	:
•	One month 2ills	6.71273	0.0625	Intervention Rate	143,	Unch'd
3		6.59373	Unch'd	1 Mth. Interbank	15 ₁₄	- 15c
_		,-142010		Three month	15,6	ᆍᇃ
_	BRUSSELS		'	MILAN		
		14:2		One month	20 3	+ 18
	Three month	1314	.—•	Three month	91%	unch'd
	MAIIRETEMA	ı	٠ :	DU2LIN		
	Inc month	10			124	Unch'd
	Three month	10,8	+ 1g	Three month	19 is .	Unch'd

London—band 1 bills mature in up to 14 days, bend 2 bills 15 to 33 days, end band 3 bills 34 to 63 days. Rates quoted represent genk of England buying or access with the money market. In other centres rates are generally deposit rates to the domestic money market, and their respective changes during the week.

LONDON MONEY RATES FT LONDON

INTERBANK FIXING	Jar., 29 1922	Certificato of deposit	interbenk	Authority deposits	negotiable bonde	House Deposits		Merket Deposits	Treasury Sille &
3 months U.S. doilars	Overnight 2 days notice 7 days or		3.19	1458-1418 1412	Ξ	=	1412-13	191 ₅₋ 141 ₅	Ξ
bid 14 5.15 offer 14 11:12	7 days notico Inc month Two months	1412-14-2	143 ₃ 143 ₄ 143 ₉ 14 ₁ 14 ₁₅ 14 ₂	141g-145g 141g	13-143 ₄ 15-145 ₃	14 % 1412	1412-1478 1417-1478 1418	14	13 3-13 4 13 3-15 5
6 months U.S. dollars	Three months. Six months Nine months	14 . 14 .	14, -14 14, -14, 14, -14,	1413 1412	15-1458 1414-1578 1434-1438	145g 145g 145g	1473	1319-1358	1312-1325
	Ins year	1414.1418	14 14	1459	1412-1414	145	` - :	: –	- :

The fixing rates (Jan 23) are the authomatic maces, rounded to the nearest one-division, of the bid and offered rates for STOm guoted by the market to rates for Sign garded by the market to five reference banks at 11 em esca working day. The banks are National Westminates Bank. Bank of Talyo, Deutsche Bank, Sangue National de Pens and Morgen Guaranty Trust

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 14½ per cent; lour years 14½ per cent; five years 14½ per cent. About the paying rates for prime paper. Buying rates for four-month bank bills 13½-13½ per cent; four months trade bills 15½ per cent.

Approximate selling rate for one month Treasury bille 13½ per cent; two months 13½-13½ per cent; three months 15½-13½ per cent. Approximate selling rate for one month bank bills 13½-13½ per cent; two months 13½-13½ per cent; and three months 15½-13½ per cent; one month trade bills 14½ per cent; two months 14½ per cent; three months 14½ per cent; and three months 15½-13½ per cent; one month trade bills 14½ per cent; two months 14½ per cent; three months 14½ per cent. Finance Houses Base Rates (oublished by the Finance Houses Association) 15½ per cent from February 1, 1982. Clepting Bank Deposit Rates for lending 14 per cent. Treasury Bills: Average lender rates of discount 13.5122 per cent.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Jan. 29	Sterling	U.S. Collar	Canadian Dollar	Dutch Gullder		West German Mark	French Franc	Italian Lira	Belgian Franc	Japanese Yen
Scort term	14%:1457	15:2-14:4	24-13	934-972	3-1-1-14	975-10	1476-1348	12-91/g	13-15	55:55:6
	14%:1457	13:2-14:4	14-15	978-10	9-13-5-14	943-1042	1476-1517	2114-2214	131 ₂ -131 ₅	5:5-6:4
	14%:1457	14:3-14:5	14:-14:2	953-10-5	8-1-8-15	10-1042	13:1514	2173-2213	121 ₂ -171 ₂	9:6-6:6
	145:1457	14:2-14:4	14:-13:8	1019-10-5	2-13-8-15	104-1044	15:4-1572	2212-2319	181 ₂ -191 ₂	61:2-65:4
	145:1457	14:15:3	15:4-15:3	2014-10-5	2-13-8-14	104-1044	1956-1676	2318-2354	183 ₄ -193 ₄	6:1-6:4
	145:1457	15:15:4	15:g-16::	1014-10-5	8-14-8-19	104-1073	17:1758	835g-2314	171 ₂ -181 ₉	6:1-6:4

rates.
The ICHTWing rates were quoted for London dollar certificates of depositions month 13,95-14.65 per cent; three months 14.53-14.45 per cent; six months 14.60-14.70 per cent; one year 13,00-15.10 per cent.

CURRENCIES AND GOLD

Dollar mixed

several currencies last week, including the Japanese yen and the members of the European Monetary System. It lost ground to sterling and the Swiss franc however amid coofused trading reflecting doubts about the future direction of U.S. interest

An unexpected rise in U.S. money supply pushed up the dollar on Monday, but this trend was reversed on Tuesday as New York and Eurodollar rates fell. Despite doubts about Federal Reserve Board policy on interest rates after its intervention in the Federal funds market, the foreign exchange market took heart from the statement by Mr Volcker, the Fed chairman, that

and to FFr 5.8960 from FFr 5.87

The dollar improved against Y228.25 from Y227 against the Japanese yeb, but fell to SwFr 1.8475 from SwFr 1.8525 against the Swiss franc.

Sterling rose 80 points to \$1.8805-1.8815, and its trade-weighted lodex, on Bank of England figures, improved to 91.7 from 90.9. The pound fell to a low of \$1.8480-1.8490 at the beginning of the week, but then rose fairly steadily, to a high point of \$1.8580-1.8890 on Friday.

The Irish punt weakened slightly within the European Monetary System, but did not come under any heavy pressure after the defeat of the Irish Government. The Belgian franc fell sharply on Friday, and remained the weakest EMS memthere was no plan to raise the discount rate.

The dollar's trade-weighted index, 2s calculated by the Bank of England, rose to 109.8 from 109.3. It rose to DM 2.3155 from DM 2.3065 against the D-mark and the weekest EMS member, considerably helow any other currency, but still within its divergence limit. The French franc and Dutch guilder were almost level at the top of the system.

after showing a firmer trend for most of the week. It fell to a against the French franc. The most of the week. It fell to a U.S. currency also rose to low point of \$370-371 on Monday.

THE POUND SPOT AND FORWARD

	Jan 29	Day's spread	Close	One morrth	% p.a.	Three months	p.a.
	u.s.	1.8790-1.8890	1,8805-1,8815	0.03c pm-0.07dis	-0.13	0.07-0.17dis	-0.25
	Canada	2,2490-2.2590	2.2500-2.2510	0.05-0.15c dis		0.25-0.40dis	-0.58
	Nethind.	4.76-4.80	4.771, 4.781,	14-14c pm	3.76	574-4% pm	4,08
	Belgium	73.90-74.50	74.40-74.50	5-25c dis		80-100 dis	-4,83
	Denmark	14.23-14.29	14.27-14.29	12-70 ore dis	-0.58	1325 dis	-0.61
	Ireland	1.2345-1.2430	1.2375-1.2400	0.29-0.41p dis	-3.39	1.02-1.18dls	-3.55
0	W. Ger.	4.34-4.37	4.354-4.364	15-13pt pm	3.79	45,-412 pm	4.02
5	Portugal	126.00-127.50	126.15-126.45	33-150c dis	-9.69	117-385 die	-7,95
	Spein	185.20-185.70	185.30-185.50	3-25c dis	-0.94	35-60 dis	-1.02
	Italy	2.330-2.339	2.331-2.333	13-16 lire dis	-7.48	447-47-dis	-7.89
)	Norway	11.04-11.10	11.041-11.0512	1ore pm-par	0.54	13-4 pm	0.45
_	France	11,05-11,10	11.0814-11.0914	3-13c dis	-0.95	3-4 dia	-1.26
f	3wedan	10.63-10.69	10.631-10.6412	1½-1½ ore pm	1.62	57-57 pm	2.09
,	Jepan	428-435	429-430	2,85-2.56y pm	7.54	9.40-8, 10 pm	7.68
	Austria	30,40-30,60	30.42-30.47	14-11gre pm		37-30 pm	4.40
1	Switz.	3.46-3.49	3.47-3.48	13-13c pm		412-4 pm	4.89
•		!- #		financial		07 AE 07 EE	

Selgien rate is for convertible france. Financial franc 82.45-82.55. Six-month forward doller 0.48-0.58c dia. 12-month 1.00-1.20c dis.

THE DOLLAR SPOT AND FORWARD

Jan 29	ap read	Closo	One month	p.e.	months	p.a.
UKT	1.8790-1.8890	1.8805-1.8813	0.03c pm-0.07dls	-0.13	0.07-0.17dis	-0,25
Irelandt	1.5180-1.5255	1.5190-1.5210	0.50-0.40c pm		1.35-1.20 pm	
Canede	1.1954-1.1970	1.1955-1.1960	0.02-0.05c dle		0.08-0,13dis	
Nethind.	2.5300-2.5400	2.5360-2.5400	0.91-0.81c pm		2.85-2.75 pm	
9elgium	39.25-39.59	39.57-39.59	11-15c dis	-3.96	43-48 die	-4.62
Denmerk	7.5585-7.5800	7.5585-7.5635	³4-¹2ors die	-0.59	4-4 die	-0.26
W. Gei.	2.3020-2.3175	2.3150-2.3160	0.75-0.70pf pm	3,76	2.50-2,45 pm	4.27
Portugal	67.10-67.30	67.10-67.30	20-80c die	-9.23	50-200 dis	-7.74
3 pain	98.15-98.40	98.25-98.35	10-20c dis	-1.83	25-40 dia	-1.32
Italy	1,237-1,242	1,240-1,252	7-74 lire dis		23-25 dis	-7.75
Norway	5.8700-5.8870	5.8725-5.8825	0.35-0.10ore pm	0.46	1-2 pm	0,51
France	5.8625-5.8985	5.8935-5.8985	0.35-0.50c dis	-0.87	1.25-1.60die	- 1.00
Sweden	6.6510-5.6625	5.6525-5.6625	0.85-0.70ore pm	1.64	3.90-3.65 pm	2.63
Japan	227.60-228.50	228.20-228.30	1.50-1.35y pm		4.55-4.40 pm	7.84
Auatrie	16.19-16.19	19.17-16.19	6.80-5.70gro pm	4.64	20-17 pm	4.57
6witz.	1.8360-1.8480	1.8470-1.8480	0.85-0.75c pm		2.85-2.55 pm	5.63

1.8812 4.3438 11.0963

EMS EUROPEAN CURRENCY UNIT RATES

2.01927 2.44390 6.21992 2.68384 0.685698

Changes ere for ECU, therefore positive change denotes a weak currency. Adjustment celculated by Financial Times Sterling/ECU rate for January 29 0.591986

1.8822 4.3138 11.1225

central

+2.25 +1.37 +1.41 +0.74 +0.75 +1.64 +0.83

+0.32 +0.36 -0.31 -0.30

CURRENCY RATES

Bank Special rate Drawing % Rights

8,01921

6.75963 6,82628 113.006 104,292 6,48644 5,99216 2,11718 1,95395

3.2777

Spot 1.8810 4.3575 11.0875

40.7572 7.91117 2.40989 6.17443 2.66382 0.684452 1300.67

Bank of Morgan

91.7 109.8 88.7 116.7 104.5 86.1 121.9 153.5 114.9 80.0 55.1 141.2

Danish kroner...

-32.3 +2.8 -19.9

-19.9 +24.6 +7.6 -11.3 +43.5 +104.0 +18.8 -18.8 -57.7 +36.6

CURRENCY MOVEMENTS

FORWARD RATES AGAINST STERLING

GOLD

Jan	. 29	Ja	n, 28
Gold	Bullion (fine ou	nce1	•
Glose	(£205,3-805.8) (£3061-207) (£206.077) (£205.305)	\$58314-38414 \$38112-38812 \$381.30 \$383.50	(2204.6-205-1) (2204.3-904,8) (2204.087) (2204.688)
Gold	Coins		
Krugerrand	153 2-813 (2109-109-14 (2109-109-14 (1535-2-58 (1535-2-57-14 (1557-3-57-16 (1557	\$395.588 \$20319.20416 21033.10454 \$4214.4515 \$396.597 \$94.9416 \$107.108 9107.108 \$92.102 \$475.478 \$673.376 \$504.509	12211-211-2 12312-361 (£1023-1-561 12312-561 (£221-23) 123112-219 (£5014-5014 1259-5914 1249-5414 (£25512-23314) 12199-20034 (£269-27154)

OTHER CURRENCIES

Jan. 98	£	\$		£ Note Rates
Argontina Peso. Australia Doller Brazil Gruzelro Finland Markka Greek Drachma Hong Kong Dollar Iran Riel Kuwait Dinar (KO) Luxembourg Fr Malaysiz Dollar New Zealand Bir. Saudi Arab. Riyal Singapora Dollar, Sth. Af rican Rand U.A.E. Dirham	1.7850.1.7350 262.22.255.29 E.518.2.552 1.59.858.113.201 10.881-10.993; 150.00° 0.539-0.538 74.40-74.50 4.2775.4.2875 6.42.6.48 3.9050-3.9150 1.8275-1.8095	0.9165 0.8176 183.77:154.44 4.4190 4.4210 39.80:60.00 5.7800 5.7850 0.205 0.2837.0.9840 39.37-39.69 2.2725.2.2746 1.2390 1.2400 3.4190 3.4910 2.0745 2.0765 0.9715 0.8785 3.6710 3.6730	Belgium Denmerk France Germany Haly Japan Netherlands Norway Portugal Spain Sweden Sweden Switzerland United States Yugoslavia	30,35-30,68 81,4,82,3, 14,91.14,53 11,02-11,12 4,6612,4,3712 8590,2450 430,436 4,75,4,79 11,04-11,14 196-133 185-195 1,04-11,14 196-133 1,46-3,60 1,873,-1,893, 98-104
	1 Now o	ne rate. * Sellik	ng rete.	

Jan. 29	Pound St rling	U.9. Dollar	Ooutschem'k	Japan'se Yen	FrenchFranc	9wiss Franc	Dutch Guild'	Italian Lira	Canadia Dollar	Beigian Fran
Pound Storling U.S. Deller	0,532	1,881	4.558 8.317	499.5 228.3	11,088 5,894	9,475 1,847	4,760 2,541	8332. 1240.	9,351 1,186	74.43 25 89.58
Deutschemark	0,229	0.432	1.	28.57	2,544	0.7\$7	1.097	536.2	0,516	17.09
Japanese Yon 1,000	8,328	4.320	10.15	1000.	95,91	8,091	11,13	5430.	3,940	173.3
French Franc 10	0.902	1,697	3,950	387.4	10.	3,134	4,311	9103.	9,030	67.15
Wiss Franc	0.288	0,541	1,254	123.6	3.151	1.	1,378	671.1	0,648	21.42
Outch Guilder	0.209	0,394	0.912	88.98	8,520	0,727	1,	487.9	0.471	15.58
talian Lira 1,000	0.488	0,807	1,869	184,3	4,755	1,490	9.050	1000,	0.995	31.93
anadian Doller Selgian Franc 100	0.444 1.343	0.835 2.527	1,838 9,853	180,8 576,8	4.997 14 Po	1,544	2,124	1032.	9.029	33,08 100,

EQUITIES

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FIXED INTEREST STOCKS

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	1912 100 100 100	F.P. F.P. F.P.	2/3	13 100 ½ 100 100 ; 72	99: ₁ 99: ₁ 64	Oo. 12i2 (17/1:83) 1005 Pennine Comm. 12pc.Cony.Uns.Lh.1991 70
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"RIGHTS" OFFERS

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THE TRING HALL USM INDEX 117.8 (+ 1.2) close of business 29/1/82

BASE DATE 10/11/80 100

Tel: 01-638 1591

CORAL INDEX Close 577-582 (+6)

FT UNIT TRUST INFORMATION SERVICE

OFFSHORE & **OVERSEAS** FUNDS



ot Securities (C.L.) Ltd. (2)(c)(b)

Queensway House, Queen

wn Shipley Tst. Co. (Jersey) Ltd. Box 583, St. Hetter, Jersey. 0534 74

lanagement Co. Ltsl. CAL Investments (IoM) Ltd.

hilf Ips. (Guernisey) Ltd. lox 157, St. Peter Port, Guern Man. Fd. 1227.0 247.0

Deutsche Ges. F. Wertpap ngweg 113, 6000 Frankfurt

tinental inv. Fil.

ming Japan Fund S.A.

6. T. Management (U.K.) Ltd. Park Hse., 16 Finsbury Circus. Tel: 01-628 8431, Thr. 886100.

Hambres Fd. Highs. (C.1.) Ltd.
P.O. Box 86, Guerney.
(Capital Reserve Fd. E14.25
C.1. Fund.
Special Sits. Fund. 80.6
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TSB Treat Femile (C.L) 10 Word St., St. Heller, Jersey TSB Gin Pard Lat., 1820 TSB Girth Livy Had. 1820

Tokya Pacific Held

Midland Bank Tst. Corp. (Jersey) Ltd. 28-54, Hill St., St. Hetler, Jersey. 0534 3628





المكنام الثامل

The size, conients and publication dates of surveys in the Financial Times are subject to change at the discretion of the Editor.

Tel: 01-248 8000 Ex. 3389 Telex: 880533 FINTIM G

UK gives Indonesia £125m credit

leg of a two-week tour of countries belonging to the Associaof South-East Asian

tish industry hid to hoost trade over textile imports, but that and investment with Asean's now relations between the two

expansion of Indonesia's oil I think this is a striking refiner: at Balikpapan in East example of the increasing com-Kalimanian. The British sub-sidiary of the American-owned services and of British manu-

merchant bank and financial

services group, is to relinquish

control of its 71.5 per cent-

owned South African subsidiary

and merge it with a more

broadly based financial services

Board of Executors, a Cape-

ing mortgage business, money

market operations and a small

bank, Fidelity Bank, which specialises in instalment credit

Port Elizaheth commercial cent.

BY BRIAN GROOM, LABOUR STAFF

Workers, were interviewed on movement

opinion, were united in predict- Relations Act.

gramme, along with Mr Bill Sirs

All four, who normally repre-

ing o confrontation over Mr

Tebhit's proposed law, which

would expose union funds to

civil suits for damages and

U.S. rates

and with the expected budget

deficit of between \$90bn and \$100bn.

However, Fed officials have

frequently warned that some of the technical changes which

Mr Regan appears to favour

to improve short-term control

of monetary aggregates would

in fact make interest rates

even more volatile than they

The ambiguous signals on

monetary policy coming from the Administration were un-

derlined yesterday by Mr David Stockman, the Budget

Director, who said in another

television interview, that the

Administration would "not

want to see the Fed retreat

or backtrack" now that the

inflationary spiral has been

Both Mr Stockman and Mr Regan are believed to have advised the President to

increase taxes in the forth-

coming budget to narrow the

hudget deficit and reduce the

pressure on credit markets.

are now.

broken."

Confederation.

ITV's Weekend World pro- involved in a national strike."

of the Iron and Steel Trades would find themselves "in the

sent a considerable spread of in with the 1971 Industrial

would attempt to weaken the ting out to define legitimate

Announcing the deal Lord Carrington said Britain had a He also lent weight to a Bri-skirmish in Indonesia in 1980

However, in a further stage,

Southern Life Association, a

leading South African insur-

ance company, is to increase its holding in Board of Executors'

The cash injection will be used

with the South African public owning the remaining 12.9 per

The transactions are aimed

at improving Hill Samuel's

market penetration in South Africa and getting it back into

Tebbit Bill faces union challenge

LEADERS of Britain's three largest trade unions yesterday gave the clearest threat so far that strikes will he used to overturn Mr Norman Tehhit's Employment Bill if it becomes law.

Mr Moss Evaus, general secretary of the Transport Workers, Mr Terry Duffy, presided to of the Engineers, and Mr Moss Evaus, general secretary of the Transport workers, Mr Terry Duffy, presided to of the Engineers, and Mr Terry sucs a union.

Closed shop.

Mr Basnett expressed configures of strikes of there is a positive desire on the part of 13m trade union aims as criminal.

But he agreed there would be strikes of the strikes of the

Mr Evans sald the unions

same sort of uncharted mine-

He said strikes against Mr

Tehbit's provisions would be

political only in so far as the

Continued from Page 1

The Fed believes that this is

the necessary condition for a

significant fall in interest

But Mr Regan sald yester-day that the P resident had

decided, as part of his pro-

posal for transferring Federal

responsibilities to the states

that "horrowing instead of

taxing was equally as good an

option," w hen the President's

advisers had snggested that tax increases might be tied

in with the new federalism

agreed with the President.

Both he and Mr Stockman

said that the large hudget

deficits were partly a reflec-tion of the Administration's

success in curbing inflation.

This accounts for a \$25hn re-

duction in revenues by fiscal

Mr Regan also said that

the deficit projections to be

published, in the next week'a budget would be based on

easts of economic growth-

conservative " fore-

Mr Regan said that he now

Employment Secretary was set-

field that we found ourselves

deot of the Engineers, and Mr industry sues a union.

Mr Duffy said that, sadly, members out if the General and Municipal "the whole of the trade union the legislation.

The largest single British sub- vices contract connected with the expansion was won y hy Farmers Boilers, will supply furnaces

him seven prominent British businessmen who are hattling planners. for Indonesian contracts worth more ihan \$3bn.

CARRINGTON, the Bechtel group won the contract facturers," he said. the Indonesian Foreign Minister

CARRINGTON, the Bechtel group won the contract facturers," he said. the Indonesian Foreign Minister

The credit negotiations were he said that they had the British

seven businessmen had economic talks with Professor Dr Suhroto, Indonesia's Minister for Mines and Energy and Professor Sumarlin, one of Indo-

British Aerospace is also understood to he hoping to increase its sales of Hawker Siddeley jet trainers to Indonesia which has already bought about a dozen in the last year.

Opportunities for British energy and industrial executives was one of the topics discussed. The British engineering company of Davy Corporation is bidding for o cold steel rolling mill as part of an extension to Indonesia's \$2.5bn Krakatau

Steel Works. The contract could be worth

By Brendan Keenan in Dublin

thern Ireland Secretary, will begin a new, and possibly final, round of talks with Ulster politicians today. He still faces a wide gap between the parties in trying to frame a new political

There is surprise io Ulster

represented the Crown but, by Labour Party for o significant Irish dimension in any initia-tive. It has suggested the establishment of a parliamentary tier to the inter-govern-mental Anglo-Irish Council and have suggested that security

in deciding whether to proceed

with the discussions. In the event, they are ex Convention Report possibly

Editorial comment. Page 14

Weather

UK TODAY

Very mild. London, S.E., E., N.E. England Mostly dry. Max 12C (54F).

Generally cloudy, sunny intervals inland. Max 12C (54F) Rest of Scotland, N. Ireland Occasional rain or drizzle

Max 11C (52F). Outlook: Dry and hright many parts, some rain North and West.

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Algires S 17 63L.Ang.a F	a 46
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Sabrolo S 21 70 Luxor C	20 68
Sercine. S 13 55 Madrid S	9 48
Sairut T 11 52 Majorca S	18 64
Bellast C 9 48 Malaga S	15 59
Selgrd R 7 45 Melta R	15 59
Berfin F 2 36M'chstr. C	9 48
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Prior begins new talks on Ulster

973 when it wanted role for a Council of Ireland as a way of making the security forces acceptable to Northern

The Official Unionists, who meet Mr Prior today are helieved to bave had difficulties

MOSTLY dry and rather cloudy with some sunny intervals

S.W., N.W. England, Wales, S.W. Scotland

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THE LEX COLUMN

Merchant bankers up in arms

City and elsewhere who regard The investing institutions, for the Council for the Securities instance, seem to have gone Industry as a fifth wheel on along quite happily with the the coach with little prospect latest rules, which in some of ever becoming anything ways will make their lives more useful. Thus Professor easier. Jim Gower in his document on investor protection last weekand many would put it a lot more strongly than that. Some senior merchant bankers now regard the CSI as a disaster— on a scale that could threaten the whole process of self-regulation in the securities

The many changes levelled against the CSI include the suggestion that it reacts to changing market practices by piling rule

The North Sea rusing manner. Behind this lies the notion that the CSI is illequipped to deal with the complexities of the corporate finance market. There also seems to be an old fashioned personality clash here. personality clash between senior council figures and the

practitioners. Another bone of contention the CSI's keenness to publisb codes of conduct. Professor Gower echoed a common view when he suggested that such codes encouraged loose drafting, since a degree of imprecision wheib would be unacceptable in rules is thought to suffice in codes of conduct. If a code is described as minimum standard of behaviour, there is a danger that the minimum will become the norm.

The particular bone of contention right now is the CSI's new rules on buying shares during a takeover. typically, seem to attack the symptons rather than the disease and protect poor managements as much

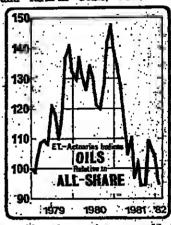
innocent shareholders. There was a genuine problem to be tackled here in that the readiness of fund managers to sell shares in market raids was making it possible for com-panies to change hands in a matter of hours. But instead of putting the pressure on fund managers to behave responsibly, the CSI chose to introduce further constraints on a hidder's market.

It has also thrown in a rule covering the treatment irrevocable acceptances which has already got the backroom boys looking for loopholes. will presumably be plugged with yet more rules. everyone feels

"THERE ARE many in the strongly as the issuing houses.

But it is a serious matter for the CSI to have lost the confidence of leading practitioners in the market. The Takeover Panel succeeded partly because it was seen to be in everyone's interest for it to work. Selfregulation depends on a consensus approach, and could be in trouble if that really has disappeared.

The North Sea goats are being sorted from the sheep. As the



considerations give an added incentive for concluding mergers. The pressures have been reflected in the stock market. where there has been a sharp downrating of some of the vulnerable companies.

into the future. Moreover, Carless Capel. exploration costs have probably By contrast, ontclassed by the scale of their. Irish waters, are both sta obligations.

companies can offset exploration gravity.

and development costs against the profits from any UK of shore producing field. The 1979 Lasmo/Oil Explora tion deal was one of the first tax-encouraged mergers. Lague was moving towards heavy tax flow from Ninian while Off Ex hod a variety of exploration and development projects in hami-In recent months similar tax considerations have played an important part in other deals-

important part in other classification of cash with heavy larger and the Candectal Tarmac arrangement.

The prime cancidate for takeover are those companies short of cash with heavy larger. ties such as fields to develop An added argency exists when licences oblige them to finance exploration drilling bru-grammes Companies with heavy past expenditure program

also be attractive since the carry with them the correspon ing tax losses. On the other side, the pre-

dators will have school or pole fial cash flow from proc fields to shelter, and will be particularly attracted to com-panies with promising acress. In a buyers market: Here is unlikely to be much in the way of premium paid takeovers. Oil Ex went 20. per cent premium of the price raling before there were expectations of a bid, and that is likely to look generous. -So, in contrast to normal takeover experience, the shareholders in predator companies are likely to do better than those of the

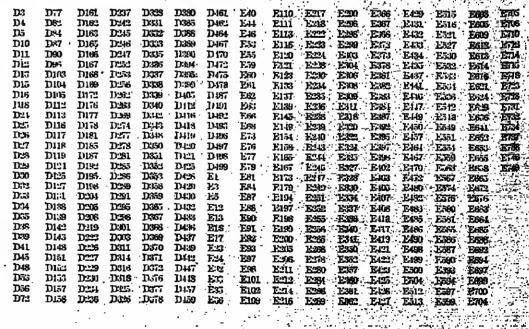
victims. Certainly, this is the message of the stock market. Charter house Retroleum, for instance is an obvious predator, with £30m of cash and a corporation As if softer oil prices were tax liability about to be created not enough, the North Sea by Thistie revenues. It is exploration companies also have standing within 15 per tent of to contend with a slowdown in its 1981 high, comfortably out Government development performing the oil index. Other approvals, which pushes their exploration stocks in a similar prospective cash flows further position inclinde Candecca and

By contrast, Pict Petrolema doubled in the past three years, with its tax losses, and Atanso some of the smaller come Energy, which is facing the panies are finding themselves heavy costs of exploration in at below a third of their 1981 The tax regime provides a highs. But the share prior of heavy inducement for mergers. Berkeley Exploration, which is There is nothing companies can short of cash and whose prosdo on this front to duck PRT pective earnings from its attracand SPD, but the corporation tive assets have been pushed tax ring fence surrounds the further and further into the whole of the North Sea. So future, is somehow defring

REDEMPTION NOTICE

The Republic of the Philippines **9% Notes Due 1984**

NOTICE IS HEREBY GIVEN, pursuant to the Fiscal Agency Agreement dated as of 16th February, 1971. under which the above described Notes were issued that Scandinavian Bank Limited, Middle Eas Branch, Bahrain, as Fiscal Agent, has selected for redemption on 1st March, 1982 BD 2,500,000 principal amount of said Notes at the redemption price of 100 percent of the principal amount thereof, together with accrued interest to 1st March, 1982. The serial numbers of the Notes selected for redemption are as follows:



On 1st March, 1982 there will become due and payable upon each Note selected for redemption the said redemption price, together with interest accrued to 1st March, 1982 all as more fully provided in the Notes. Payment of the redemption price of the Notes will be made in such coin or currency of The States of Bahrain or of The United States of America. (if any holder of a Note advises the Fiscal Agent prior to 5th February, 1983 of this election pursuant to Clause 6 of the Notes) as at the time of payment is legal tender for the payment therein of public and private debts, upon presentation and surrender of the said Notes with all coupons appertuining thereto maturing after 1st March; 1982, at SCANDINAVIAN BANK LIMITED, PO.BOX 5345. MANAMA CENTRE, EASTWING, ENTRANCE 2. GOVERNMENT ROAD, MANAMA, BAHRAIN. Payment of the Notes (subject to applicable laws and regulations) will see be made at the offices of National Bank of Bahrain, P.O. Box 106, Manama, Bahrain, and at Bahrain Dinar or Dollar account maintained by the payer with a bank in Manama or New York City respectively.

On and after 1st March, 1982 the date fixed for redemption, interest in standard Coupons maturing on or prior to 1st March, 1982 should be detected the standard of the the stan

FOR THE REPUBLIC OF THE PHILIPPE SCANDINAVIAN BANK LIMITED, MIDDLE EAST BRINGH, BANKAN

Registered at the Post Office: Printed by St. Clement's Pie

Nations (Asean). Hill Samuel to make S. African changes BY CHRISTINE MOIR IN LONDON AND BERNARD SIMON IN JOHANNESBURG the UK as the senior partner in the new

40.6 per cent.

and leasing.

Foreign Secretary, signed Bri- to construct a 200,000-barrelstain's biggest ever trade credit per-day refinery expansion last to Indooesia at the weekend. year following the successful He is in Jakarta on the first solution of a major trade dispute between Britain and Indonesia over textile quotas.

largest and potentially richest countries had never heen better, recently nation.

The credit agreement will firms will supply a wide variety worth £1:

provide up to \$225m (£125m) of goods for Bechtel (Great to help pay for a \$1hm (£550m) Britain) the main contractors.

company.

group in which it will owo ultimate parent to 30 per cent.

The company said yesterday to buy a further 15 per cent that it intends to take over in the expanded Hill Samuel

town financial group with As a result, Board of interests ranging from admini-stration of trusts, to participat-cent, Hill Samuel 40.6 per cent,

worth of RISm compared with plateau it appears to have Board of Executors' RIOm or so, reached.

Group.

conducted by Lloyds Bank Inter- Government's national with support from the British Government through the Export Credits Guarantee Department (ECGD), and the interest rate is understood to be 73 per cent over 10 years.

worth £19m.

Lord Carrington brought with

In the year to March 1979,

under the direction of Mr

Christopher Castleman. By

March 1980 this had grown to

R3.4m and by March 1981 to R4m when Mr Castleman

returned to the UK as group

In the first balf of the cur-

rent financial year pre-lax profits dropped from R2.16m

to R1.86m. Mr Castleman said

yesterday that full year profits could he aomewhat below R4m.

Three years ago Hill Samuel

pulled out of insurance broking

and pensions administration in

South Africa to concentrate on

merchant banking. But Mr Castleman said yesterday that

the group now saw better growth

prospects through becoming a "smaller part of a larger group."

trade union aims as criminal.

members out in opposition to

doesn't hit at the rights of

individual trade unionists. It

may have some implications for

the corporate bodies, for the

bureaucracies of trades unions,

but not the individual mem-

Mr Duffy sald that "when we

request our people to show their

loyalty to the trade union move-

ment, that loyalty will be forth-

Mail City Editor

MR PATRICK Sergeant, city

editor of the Daily Mail and a

director of Associated News-papers Group, the Mail's ulti-

mate parent, received a total salary of £255,646 in the year

The report and accounts of

ANG, published over the week-

end, show that the salary of Mr Sergeant, the highest paid

director in the group, rose hy

Mr Sergeant receives most of

his earnings from Euromocey

Publications, which publishes

the Euromoney magazine. He is not only a director of EP and

its overseas subsidiary, but he

also owns a small number of

When the magazine was set

shares were created with the

right to half the pre-tax profits

distributed as a bonus. Mr Sergeaut has sold all but 36 of

his original 150 management

300 special management

management shares.

£112,104 during the year.

on £4m salary

By Christine Moir

to last September.

chief executive.

Hill Samuel SA made pre-tax ing regulations, Hill Samuel profits of R2.2m in its first year would probably have had to

The ' chairman

support" in their attempts to

nesia's most senior economic

Lord Carrington and the

build on their existing involvement in Indonesia. There was undoubted "potential for increasing many times" the interchange of goods and ser-

In any case, under local bank-

would probably have had to reduce its British ownership to

That would still bave left it

having to operate under British hanking ratios which are more

stringent than those applying in South Africa. In addition,

Mr Castleman said both Board

of Executors and Fidelity bad

unutilised capital which could

increase lending capacity and

The banking operation will

still be known as Hill Samuel and will be headed by Mr

Richard Crick, managing director of Hill Samuel SA, Mr

Neil Chapman, chief executive

of Board of Directors, will be overall chief executive of the

U.S. has

no allies'

in United

Nations

By Our Washington Correspondent

United Natio

disagreement,"

THE U.S. Is "without reliable

allies," and is ignored, des-

plsed and reviled in the

Mrs Jeanne Kirkpatrick, chief

fluence with the developing

countries than the U.S., Mrs

Kirkpatrick said, partly he-

cause it exacts a "price for disagreement," something

that the U.S. has never done.

made in a television interview

which marked the completion

of her first year at the UN,

reflect the growing hostility of the Reagan Administration

to the way the UN is organ-

ised and to the rising influ-

eoce of small developing

countries which are opposed

to U.S. interests in many

international organisations.

Her comments follow a recent

warning from senior Admini-stration officials that the State

Department would keep records of the way countries voted at the UN on issues affecting U.S. interests. This

has been interpreted as an

implied threat that countries

which consisteotly defy the U.S. on major issues may suffer when it comes to their

economic relationships with

Mrs Kirkpatrick said that the

trouble with U.S. tactics at the UN had been that "we

are a country without a

party. We have many good

friends and no allies, on reliable allies at the UN."

mented that there is concern

in certain UN delegations

about the number of Jews in

io the UN aod com-

She also deplored the fact that

Israel is regarded as

the U.S. mission.

the U.S.

Mrs Kirkpatrick's remarks,

U.S. delegate to the UN.

The Soviet Union has more in-

ease further capital raising.

50 per cent by 1986.

British officials said they are optimistic about prospects for further sales.

ore than \$3bn. Corporation, Balfour Beatty. The contra Earlier, in a speech bosted by and British Aerospace, were about \$400m.

initiative

MR JAMES PRIOR, the Nor

about the suggestion that a Governor of Northern Ireland might be reappointed. The suggestion has not occurred in any of the discussions so far, Unionists are attached to the office of Governor because he

the same token, Nationalists regarded him as a divisive symbol. It is thought unlikely that Mr Prior would wish to raise the issue when be has so many other political difficulties. Among these is the demand by the Social Democratic

powers he devolved to the Council. This is in line with the posi-tion taken by the SDLP at the Sunningdale negotiations in

Catholics.

pected to tell Mr Prior that they are opposed to any role for the minority beyond the representation on committees proposed in the Northern They will resist any "undemocratic system"-a phrase which would include power sharing and

WORLDWIDE

British Gas seeks French supplies BY RAY DAFTER, ENERGY EDITOR THE British Gas Corporation a therm, more than twice the duction beginning in the second ment of other fuel prices.

for new North Sea gas supplies. for supplies. They will provide an acid test of government pricing policies. about 25p a therm would Indi- cubic feet. corporation seeks deliveries of natural gas from a French-operated field in the plea for greater incentives. On of recoverable oil. the Government knowledge the other hand, a settled price maise prices to encourage a faster pace exploration and production.

Top-level negotiations have Compagnie To create more competition Française des Pétroles (Total) and more market-related pricand Elf-Aquitzine. These coming for supplies, Mr Nigel Law- lie in Texaco's block 3-4 immepanies hold the majority share son, Energy Secretary, is pushof oil and gas reserves in the ing through the Oil and Gas concession. North Alwyn field, 110 miles (Enterprise) Bill. The Bill east of the Shotland Islands in the British sector of the North monopoly right to supplies. Producers, like Total and Elf. The price agreed will not only set the tone of negotiations

directly to factories in the UK. with other potential gas sup-The North Alwyn negotiations pliers, it will reflect the corporaare the first to be influenced delievered at the St Fergus tion's attitude to the Governby this legislation. The field is terminal in Scotland. It is expected British Gas expected to be exploited at a agreed price will rise, and percost of about £1.5bn with pro- haps fall, in line with the movewill pay between 20p and 25p

tion's previous tough stance on

has begun crucial negotiations average price now being paid half of the 1980s. According to industry esti-Gas-industry observers said mates, recoverable gas reserves at the weekend an agreement of are between 750bn and 1,000bn In addition, the

> pared to accede to the producers' between 110m and 150m harrels It is understood that Total and of about 20p would demonstrate Elf are putting the finishing a continuation of the corpora- touches to a formal development application to the Energy Department. These plans will probably also involve a portion of the field's reserves which

> diately north of the Total-Elf Gas from the North Alwyn will break the Gas Corporation's field will be transported ashore by means of the existing Frigg field gas-line in which Total and would be free to sell their gas Elf have major interests. British Gas is expected to agree terms on the basis of gas

therm for its North Sea supplies. Producers of gas in the mature fields of the southern sector of the North Sea are cate the corporation was pre- field is thought to contain thought to be receiving an average of 5p to 6p a therm although some companies are atill being paid much less. In the more recently

British Gaa pays about 10p

developed fields in the northern sector of the North Sea, producers are thought to be receiving up to 18p to 19p a therm. A base price of 16.5p a therm is thought to have been agreed recently by British Petroleum, the producer of Magnus field gas, and the Gas Corporatioo. British Petroleum has been among the offshore companies seeking a minimum price for

justify exploration and development expenditure. Soviet gas, Page 2; Exploration Programme, Page 4

new supplies of at least 25p a

therm. The companies claim that higher prices are needed to

The companies claim

F—Feir, R—Rein, —Snow, T—Thunda